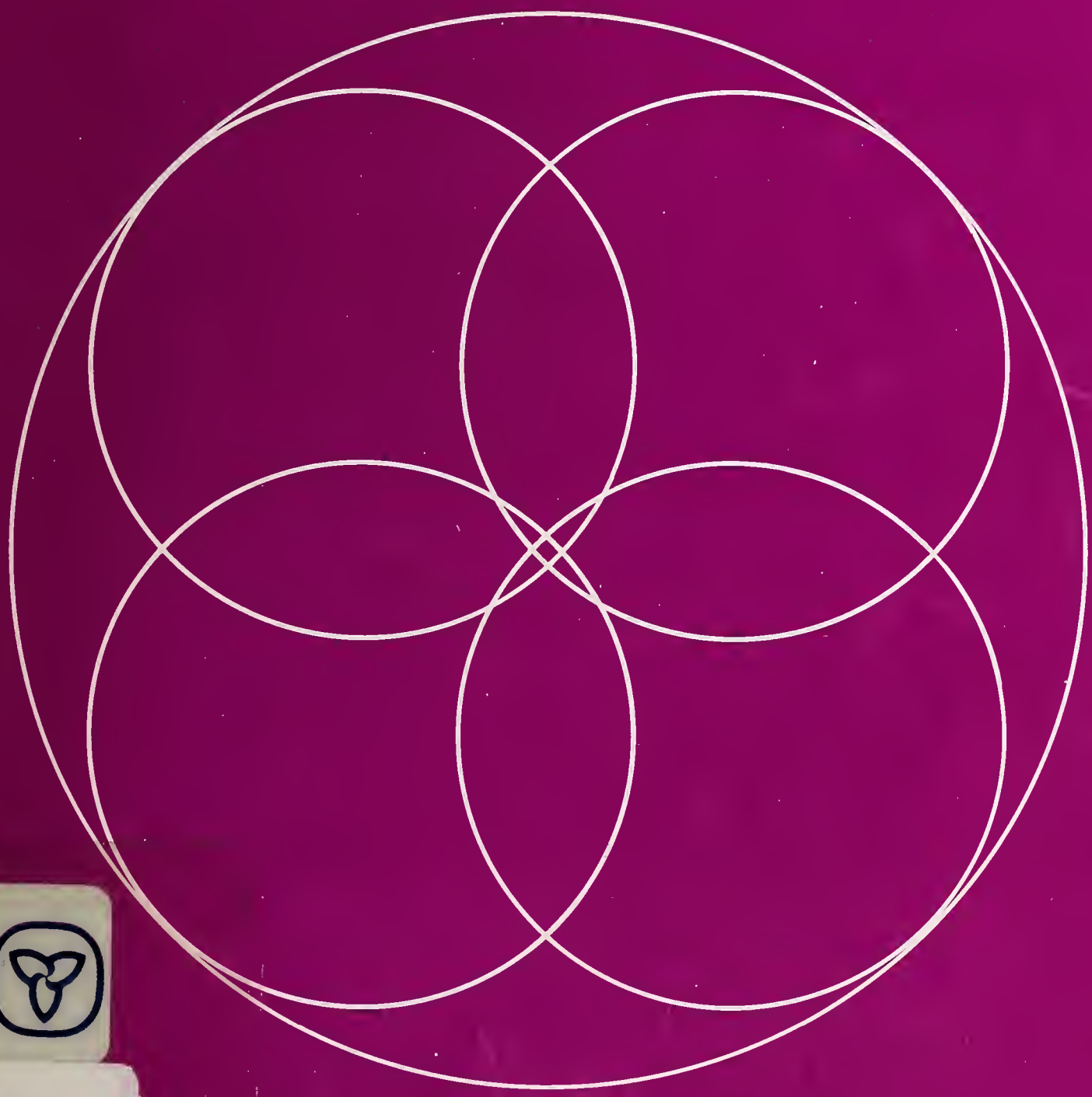
Local Government
Management Project

Series B Publications
Technical Papers

Management Improvement:

A Manager's Guide to the Theory and Process of In... and Organizational Change

V.N. MacDonald
F.E. Deszca
P.J. Lawton



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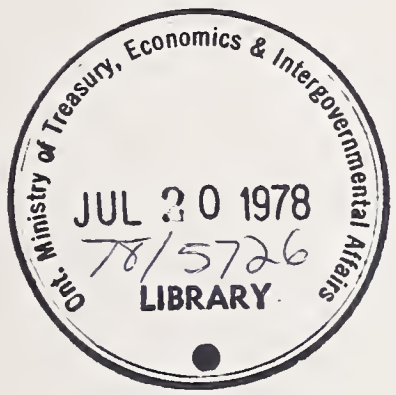

June 1978

This Publication has been Prepared as Part of
The Local Government Management Project

A Joint Project of

The Ministry of Treasury, Economics and Inter-governmental Affairs, Province of Ontario

The Cities of London, Ottawa, and St. Catharines and The Regional Municipality of Niagara

The School of Business, Queen's University at Kingston

Price $3.00

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Preface

Five years ago, when the Local Government Management Project was in the planning stage, the Project Directors, both teachers and consultants in organizational behaviour and organizational development, felt that they knew a good deal about both individual and organizational change. In most cases in the past they had introduced a set of concepts to managers and had followed the process of change from a distance, going largely on questionnaires and senior managers' reports. The LGMP, on the other hand, was designed to permit close monitoring of managers during a comprehensive long term process.

Very quickly, after the implementation process began, the Project Directors discovered that they had a good deal to learn and that, even when the theory of the techniques they were implementing was substantially correct, putting that theory into practice involved another distinct dimension. For example, managers were not motivated to make anything but surface cosmetic changes unless they, too, understood and accepted both the objectives of the Project and the processes required. The development of this motivation required their involvement in planning and implementing the program and their acceptance of responsibility for its success.

From what the LGMP staff has seen, read and heard, confusion regarding the characteristics of individual and organizational change is quite common, in fact, there seem to be no concepts or theories which can help practicing managers in a general way in understanding, initiating, guiding and controlling a change program. This paper is an attempt to provide that information in a form and language which can be easily understood.

The LGMP was a four year experiment in management improvement in local government, financed by the Province of Ontario and the Ontario municipalities of London, Ottawa, St. Catharines and the Regional Municipality of Niagara. The Project was designed and implemented by a Project Team from Queen's University, working in conjunction with internal management advisors, known as Project Leaders, and other municipal administrators. The Queen's Project Team was also responsible for documenting the Project experience and for attempting to evaluate the outcome.

The events and experiences which occurred as the four municipalities applied new management practices to their operations, have been documented in detail. Lessons from those experiences have also been extracted and extensively documented and evaluated. Papers containing the history and evaluation were published at intervals, as the Project progressed, under the general heading of *Series A Publications: Documentation and Evaluation.*

During the Project, it became apparent that certain factors influenced the effectiveness of local government management to an inordinate extent. These included the problem of establishing relatively consistent direction to guide the efforts of municipal administrators and councillors, the ability to measure managerial performance, the ability of a municipality to adapt to environmental and organizational changes and the extent to which a municipality was able to develop and effectively use information. Special papers were written in each of these areas, directed to alert and able municipal administrators and councillors, because the existing consulting guidance was insufficient and previous efforts at management improvement were judged to be inadequate and somewhat misdirected.

The series of four publications which deals with these important factors is called *Series B Publications: Technical Papers* and includes in addition to this paper:

1 Improving Management Performance: The Contribution of Performance and Productivity Measurement;

2 Corporate Management: Its Role in Local Government;

3 Improving Management Performance: The Role of Management Information.

This paper originally began as a literature survey containing a good deal of theory and examples of other attempts to make changes in organizations. Most of that content was dropped in favour of a pragmatic, easy to follow paper which describes processes of both planned and adaptive change as they seemed to apply to local government.

The authors would like to thank Bonnie Brown of the Ministry of Treasury, Economics and Intergovernmental Affairs for patiently reading an earlier draft and for some very useful suggestions which have been incorporated. They would also like to thank Ted Gomme of the Ministry for his steady support of the Project, in spite of missed deadlines, and Nancy Peverley and Faye Gallery for their thoughtful and effective secretarial support.

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June 1978

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Introduction

Adaptation to changes in the external environment and the planned improvement of organizational effectiveness are related processes that have a great deal of significance for managers everywhere. Business has been forced to adapt and to change in order to survive, whereas government organizations have not been subject to the same pressures. As governments in Canada adapt to the fiscal restraints of the 1970's, however, a new era is dawning. They must accomodate to the new conditions and increased challenges through organizational changes and improvements or they must decrease levels of service. The major question is, 'How do they improve their operations?'. This book contains an attempt to provide an answer to that question.

The need for change and the pressure for change is there, making organizational improvement an important issue in government. The 'bandwagon' jargon of the 1970's includes M.B.O., P.B., P.P.B., P.P.B.S., program management, program evaluation, zero based budgeting, facilitator, change agent; goals, key result areas, productivity, objectives, T.M., T.A., O.D., etc. You have probably heard of these time and time again. Yet, how closely would we agree on the meaning of those terms and upon their significance for organizational improvement? What is really known about the processes required in effective management and the way in which organizational and individual change actually takes place? One thing can be said for certain, our knowledge has not developed to meet the need, or, at least, the knowledge that exists has not been effectively applied.

The Local Government Management Project (LGMP) was a long-term intensive experiment in management improvement which involved four Ontario municipalities, the Cities of London, Ottawa and St. Catharines, and the Regional Municipality of Niagara. It was designed, implemented, documented and evaluated by a Project Team from Queen's University. During the intensive contacts with local government managers (councillors and administrators) over the three and one-half years of Project implementation, the Project Team members feel that they learned a great deal about individual and organizational change in a local government setting. What follows is an attempt to put that experience and the lessons from the Project into practical terms and to express them in such a way that they can be generalized to other municipalities.

PURPOSE OF THIS PAPER

Programs involving individual and organizational change in local government should be planned, guided and controlled by practicing managers. Only through their involvement in all of these processes and their understanding of change itself will the necessary long term commitment to the process evolve. This paper presents a practical theory of individual and organizational change which should help those managers in both understanding and implementing the necessary processes. The concepts discussed here should also be useful to municipalities as they adapt to changing external and internal factors which are beyond the control of council and administration. These include economic, technological, physical and social environmental factors, and the changing values, motives, skills and knowledge of the internal work force.

The question which local government managers face is, 'Given that change is inevitable, how can we promote and control changes within our organization to best cope with those internal and external forces?' Senior managers must play a critical role in management improvement, yet they generally are not fully aware of the potential impact of the changes that need to be introduced upon their staff and employees. In this paper an attempt is made to explain individual change in layman's language so that local government managers, themselves, obtain a better picture of what actually happens to people who are involved in managerial or technological change..

The manager who is making the change, his superior and all top managers (councillors and administrators) in the municipality, have roles to play in making the change a success. In many situations the help of technical experts and behavioural change agents will be useful, and the roles they play in interacting with managers undergoing change will have a great impact. Thus municipal managers must have an understanding of the roles of all of the people contributing to management improvement.

Finally, municipal managers introducing management improvement programs must be aware that the managers involved need to feel 'ownership' for the program of change and accept prime responsibility for its success. There is a need for senior managers to be aware that the lower level managers and employees will make changes only when they are sure that personal or organizational pay-off will result.

OUTLINE OF THE PAPER

The first part contains an explanation of individual change enriched with examples from the LGMP experience. The motives which encourage a manager to change are discussed as are other factors which determine the propensity to change. The roles of senior managers, the importance of the organizational climate they create, the roles of junior managers undergoing change, and the roles of change agents are outlined.

In the second section, the central topic is organizational change. What happens in an organization undergoing changes? Where do changes actually occur? Why do they occur? How can undesirable consequences be controlled and desirable ones reinforced? Who has to take responsibility for change? Why do some people seemingly resist change and how can this resistance be dispelled most effectively? These are the questions which are discussed in this section.

In the final section, problem areas specific to the introduction of planned change in local government are outlined. The real challenges, threats and motivational problems are identified, and suggestions are advanced for dealing with them in the form of a framework for organizational and individual change. Finally, some structures and processes are described, which should contribute to an ongoing adaptive capability on the part of local government.

Part I

Changing the Individual's Approach to Management

Management improvement requires changes on the part of individual managers and in the nature and pattern of their interactions as they perform their jobs. For this reason, a primary requirement in developing and implementing a management improvement program and in evaluating its impact, is an understanding of the nature of change itself and the way in which it takes place in individuals and in organizations.

The authors feel that experiences during the LGMP have contributed to their knowledge and understanding of both individual and organizational change. Not only the changes which did occur but also those which did not, tend to confirm some aspects of the existing literature while they put other aspects in a rather questionable light.

In addition to outlining some potential techniques and methods whereby practicing managers can adapt to changing environments and can introduce and implement management improvements, this paper also contains some simple explanatory theories which apply to a variety of situations. These theories provide insight into general and specific ways of helping individuals and organizations to cope with both adaptive and planned changes. Thus they should be a source of guidance for senior managers who are responsible for implementing and controlling change programs, to managers who are involved in changing their own approaches to management, and to facilitators or trainers in regard to the roles they can play and the techniques they can employ to ensure that the change is successful.

It is important to be aware from the outset, that the discussion of individual change in this paper does not refer solely, or even primarily, to changes in management style. Style is a shallow, surface phenomenon whereas management approach, as referred to in this paper, involves the content of management, the roles which managers play in motivating, training and developing others and in achieving output. Take for example the introduction of technological change. Such change often brings about a need for individual and organizational changes which have implications well beyond the scope of the technological change itself, and also well beyond the scope of efforts directed solely towards changes in managerial style. For example, people will have to learn to perform their new or changed jobs and to interact with others in different ways. In addition to helping people adapt to technical and interpersonal changes, senior managers will have to deal with the fact that the jobs of some individuals may be threatened and the accepted status of others disrupted by the new organizational structures required as a result of technological change.

Changes in management approaches and in the operation of organizations are dependent upon individuals. Individuals change when they have 'learned' new methods of management or new methods of production or service delivery. Thus, the nature and degree of change within an organization is dependent upon the individuals involved and the general characteristics of human learning. To indicate what implications this has for the management of change, individual change is discussed under the following headings.

1 **The Importance of the Individual.**

2 **The Nature of Human Learning.**

3 **The Effect of the Learning Process Upon Managerial Behaviour.**

4 **Factors Determining a Manager's Reaction to Change.**

5 **The Uniqueness of Managerial Change During a Management Improvement Program.**

6 **Implications for Management Improvement.**

7 **Implications for Senior Managers and Facilitators.**

1 THE IMPORTANCE OF THE INDIVIDUAL

Changes occur primarily at the level of individuals and in the interaction between individuals. Even when intergroup co-operation or co-ordinative methods and procedures change, individuals are responsible for the decisions and attitudinal and behavioural shifts which occur at their particular level. Individuals are the key elements in any change process. Unless individuals try new methods and techniques of operation, management improvements will not take place. This means that individuals are really in control of the success of any program of change and that they determine the ongoing adaptive capability of an organization.

The fact that an individual tries to change, however, does not mean that the desired change will take place. He must be able to perform the required behaviour and generally will not be able to adopt new behaviour without a certain amount of practice and feedback. The capacity to learn new activities and/or the speed of learning will depend upon the unique characteristics of the person involved.

There is often only a tentative relationship between a new technique or concept of management and the way

it is applied. This is partially because each person has to adapt the technique to his own approach to management and partially because there is always some difference between the things a manager actually does and the things he thinks he is doing (e.g. his openness with subordinates). During the implementation stage of the LGMP, for example, it was not unusual to find managers who truly believed they were setting objectives congruent with the needs and problems of their jobs. To the trainer or higher level manager, though, it often seemed that those same managers were avoiding the major issues and were not setting relevant objectives. It was found that until the managers began to clarify and redefine their perceptions of their roles and goals, to more accurately reflect those things they should be working towards, their objectives were relatively meaningless.

Individuals may learn quite different behaviours during the same training process as a result of differences in perceptions, emotions, attitudes, values, beliefs, needs and abilities. These individual characteristics are, in turn, dependent upon the past experience of the individual. It is very important to realize that skills and abilities, in particular, will vary greatly from person to person and can play a primary role in training outcomes. During the LGMP it became apparent that some individuals simply lacked the ability to make certain changes. In other words, they were not trainable for the activity concerned.

Whereas *what* people learn may vary, there is, however, a high degree of similarity in the *way* they learn. For this reason a clear understanding of the process of human learning is an important aspect of understanding individual and organizational change.

2 THE NATURE OF HUMAN LEARNING

Basically, humans learn through doing things or through having things done to them. They take some action and get a response from their environment (usually from other people) which either encourages or discourages further action of the same type. A baby that cries and receives attention will learn to cry when attention is desired. It learns to associate smiling on the part of adults with warmth, pleasure and play. It learns to associate frowns or anger with coldness, noise (scolding), and sometimes physical pain or physical threat. Conformity brings smiles; nonconformity brings frowns, thus the infant learns to conform.

Probably the reader is beginning to feel that we are not only insulting his intelligence at this stage, but also that the content is not very appropriate to a discussion of management improvement. We agree that the thoughts expressed here are simple and that we all should know and understand the concepts involved in basic human learning theory. Excuse us, therefore, if we actually spend a good deal more time and space emphasizing these relatively simple concepts. We intend to do that because the practical application of well known characteristics of human learning is difficult. They have been inadequately applied in law enforcement, in management and, perhaps most dramatically, in education.

The individual, by the time he becomes a manager, has learned to act in specific ways in specific situations (or to play a number of roles), through the previously described means of social reinforcement. What he has learned about management and the way in which it has been learned will determine how he perceives his managerial role. His perceptions of the role will then combine with the feedback he obtains as a manager, to determine how he will act. Probably it is worthwhile to examine how a manager's perception of a management role forms. Since females in our society are having some difficulty in achieving equality in managerial ranks, we will use a female example to explore some of the variables involved in human learning as they apply to learning about management.

As a little girl receives reinforcement from adults (smiles, help, warmth, play, etc.) she learns the behaviours expected from women in our society. Thus women have traditionally learned passive, polite, socially graceful behaviour because they are rewarded for that and verbally, at least, admonished for agressive, rough, physically competitive behaviour. As a girl comes to see herself as a female she adopts her mother and other women as her models because she is rewarded for dressing as they do, helping around the house, etc. The important factors which influence her potential future behaviour as a manager include the following.

a She has learned to play a female role which may very well conflict with the general expectations society has for someone who is playing a managerial role.[1]

b Much of her learning was unconscious rather than on a conscious level - e.g. she did not consciously decide to be relatively passive because she is a female; she did not consciously choose the occupational interests and skills which she learned through contact with female models; she did not consciously reject toughness and threat as a method of influence. All of these things happened, however, and have become an integral part of her personality.

c She has learned to view the role of manager in her own unique way probably thinking of the role as typically filled by a male and, therefore, creating some potential problems for her own subsequent interactions with female managers and with her perceptions of her own adequacy as a manager.

d When she obtains a managerial job she will try to apply her own concept of the role of manager and her personality, perceptions, attitudes, etc. will have a major effect upon the way in which she is perceived by other managers. Thus, she is greatly influenced by her earlier learning (about her own role as a female) and that learning will continue to affect her managerial behaviour.

e From her senior managers, peers, and subordinates, she will receive feedback determined in part by the way in which she plays her managerial role, and partially by attitudes they have toward female man-

1 Some of the typical motivational characteristics of managers are outlined by John Miner in *The Challenge of Managing*, Philadelphia: W. B. Saunders Comp., 1975 Chapter 10.

agers. This will result in different feedback than a male manager would receive for acting in the same way. Her interactions with others will differ from those of a male manager and she will probably be forced, through lack of alternatives in many cases, to adopt male managers as models, sometimes trying to imitate an approach to management which does not suit her personality.

f She will interpret the feedback she receives as best she can, but may find it very difficult to relate that feedback to her managerial behaviour. For instance, some males she encounters will not like or respect female managers and will provide inaccurate negative feedback, regardless of her behaviour. Others will hesitate to be as hard and direct with a female as with a male and will not provide her with the constructive feedback she needs. Thus, she may well receive less accurate feedback than a male manager and will have trouble changing her behaviour to become a more effective manager.

In this case a female entering a managerial role has been used as an example because the early socialization or learning has a more marked effect upon a female than upon a male entering a world dominated by males. A male will encounter similar difficulties, however, although to a lesser degree. In summary, these difficulties will result from the following chain of events.

a An individual develops certain conscious and certain unconscious conceptions of the role of a manager (the same factors apply to any work role but technical roles are less complex than management roles).

b As with any physical action, e.g. golf or tennis, an individual's conception of the way in which a sport should be played (or a manager should act) will not bear a one-to-one relationship with the actual way in which he plays (or acts as a manager).

c The individual's personality, confidence, knowledge, etc. will influence the way in which he or she is perceived by others and may either detract from or add to the evaluations others make of his or her management effectiveness.

d The results achieved, insofar as there is no concrete measure (and there seldom is for a manager), are based on the perceptions of other people and their perceptions are influenced by personality, appearance, etc. as well as results.

e The new manager will seldom receive direct feedback and will be forced to make inferences, 'Subordinates are not doing what I tell them, therefore, I must become tougher'; 'The boss is pleasant when we meet so I must be doing the right thing'; 'I'm not sure what he meant by – You aren't really taking over that job the way I expected you to'; and, thus, he or she tries to change behaviour with an inaccurate frame of reference, finding it hard to know whether or not the new performance is effective.

An awareness that learning is essentially a process of trial, error and differential reinforcement, is fundamental to understanding individual change. By the time they become managers, individuals have unique perceptions, attitudes and emotions and they will have somewhat unique approaches to management. Some of their learning will be conscious but even more of the behaviours they adopt will be unconscious reactions to reinforcement. What does all of this mean for the way in which a manager learns, adapts and develops in a unique way over a period of time?

3 THE EFFECT OF THE LEARNING PROCESS UPON MANAGERIAL BEHAVIOUR

The individual will 'learn' to manage very much as he learned social behaviour as a child. This time, though, he will perform as a manager in accordance with his concepts of management. As he carries out managerial tasks he will receive feedback which may be either positive or negative. If it is positive he will adopt that same behaviour in similar situations in the future. If the feedback is negative, though, and if it is accepted as valid, he will be on the lookout for new approaches to management. On the other hand, if the negative feedback is excessively harsh or is regarded as invalid, the manager in question may merely become defensive and unwilling to try out new approaches to management. He may well look for models, in the form of successful senior managers, and try to imitate their behaviour. He may go to his superior manager for advice but frequently may fear that such a request would be looked upon as a sign of weakness.

As he tries out the behaviour he feels would be the typical response of the manager he is imitating or using as a model, he may be more or less accurate in his assumptions about what constitutes effective management. Everything he does, of course, will be influenced by past learning.

New information will be accepted if it is congruent with his past experience, if it is regarded as important, and if he feels that it will result in valued behaviour. If these three conditions are present he will probably try out a new method or technique. His first attempt at a new technique of management may be either a good or a poor representation of the technique. It if is poor the results will probably be negative. Unless he receives positive feedback or reinforcement for trying, and constructive feedback to help him to adapt the technique to his ability and situation, he will probably not try again. Thus, managers trying to introduce a change should be aware of the importance of accurate and appropriately communicated feedback, reinforcement for people who make the effort and the development of a safe environment for trying out new techniques.

Even in the situation where a manager does receive constructive feedback, he must have the requisite skills, ability and personality to adopt the new technique or mode of operation or he will be unable to make the change and will probably become frustrated - a state of motivation which may very well affect his behaviour in other ways.

During a management improvement program or in adapting to changes in the environment, an individual will frequently choose other managers as models or references for his own behaviour because he has some

feelings of insecurity or uncertainty. This state is fairly typical of younger or more recently appointed managers but is less characteristic of people who have been managing for a long while and who have adopted a rather rigid approach to management over a period of time.

The model will be someone who is seen to be successful in the organization and is held in high regard by others. To some extent, the manager who chooses a model probably not only imitates the model but also identifies with him or her, thus obtaining some sense of power and worth through identification. The model will also be someone who appears to be doing the type of things the individual wishes to do or aspires to.

For the reasons indicated above, the attitude and qualities of more senior managers are extremely important. If the young manager's immediate superior is seen by him as a desirable model he will have an immediate source of reference and the superior will be in a position to directly reinforce desirable behaviour. The opportunity for the development of young managers is highly dependent upon the people available as models.

4 FACTORS DETERMINING A MANAGER'S REACTION TO CHANGE

Probably the primary factor which determines a manager's reaction to change is his own motivation. If a program involving change is to be effective at least one or more of the following stimulants are probably necessary:

a boredom and a desire for variety;

b a desire to maintain an image as a progressive manager who is constantly looking for ways to improve;

c the feeling that a particular new approach might be a more effective way of operating;

d a belief or actual evidence that the present operation is ineffective or is becoming less effective;

e the belief or evidence that important attitudes and/or values are in conflict with one another;

f the belief or evidence that the present mode of operation is inconsistent with the manager's attitudes, values, aspirations, desired self image and/or desired public image;

g the belief or evidence that a particular change will result in highly desirable outcomes; and

h the belief or evidence that the present mode of operation will eventually result in a highly negative outcome.

Individual managers will usually be prepared to initiate changes if one or a combination of the above stimulants is present and the strength of the desire for change can be increased or decreased by change in those stimulants. In general, the desire for change increases with an increase in the number of factors coming into play or with an increase in the potency of existing factors.

During the LGMP it also became apparent that the stimulus or desire for change was not the only important factor which would help to predict an individual's reaction to planned change. A number of other considerations were also very important and, at times, really determined whether or not the attempt would be made and, subsequently, whether or not the change would actually take place. These included:

a the person's past experience and learning and, particularly in the case of local government, his past experience with previous management improvement programs;

b the organizational climate and environment particularly in regard to reward structures, treatment of innovators, status of people involved with a management improvement program, etc.;

c the strength of the individual's drive for management improvement or change;

d the nature and practicality of the different potential solutions for present problems;

e related to 'd', the values attached to the outcomes which might emerge from different methods of solution and the various types of reward which might be associated;

f the individual's ability to engage in particular methods of solution (in the LGMP this was found to be an important factor, both because some individuals did not have some basic skills which were needed to adopt the new behaviour and alternatively because time and circumstances would not permit certain types of training or problem solving);

g the individual's self image and the self assessed feasibility of making the necessary change (a major contribution to resistance to change, particularly for older managers);

h the reinforcement and feedback the individual receives from initial and subsequent efforts directed toward making the necessary change; and

i the attitude of other managers in the organization toward the program and the extent to which they were making changes, particularly in cases where their activities had an impact upon the manager in question. For example, where a number of managers in a group of peers became involved in a program there was some pressure upon the remaining members.

In the local government setting some of these factors can be directly influenced or controlled by senior managers and change agents.[2] Others are dependent upon the individual's self confidence, abilities and skills. During the LGMP it frequently appeared that managers needed additional basic management skills and better understanding of their own roles before they were able to

2 The expressions *change agent*, *facilitator*, *interventionist* and *consultant* have been used interchangeably in this paper. They all refer to an individual who is primarily concerned with helping managers to understand and apply new management concepts. Senior managers will also fill this function for the people reporting to them, but special facilitators will be responsible for helping to follow through and integrate the changes which take place throughout the entire organization.

effectively set objectives for their jobs. When they were provided with these increased skills their drive for management improvement was increased and they gained confidence with regard to their ability to cope with changes.

The way in which people learn and the factors present in the organization which affect their propensity to change have a major influence upon the potential for management improvement and will also act to determine the most desirable approach in any particular set of circumstances. The discussion in the remainder of this section will concentrate upon individual change in an organizational setting.

5 THE UNIQUENESS OF MANAGERIAL CHANGE DURING A MANAGEMENT IMPROVEMENT PROGRAM

Before discussing management behaviour in the context of a management improvement program it is necessary to reinforce one other important point. There is not necessarily a one-to-one relationship between a manager's behaviour or action as he sees it and the same action perceived by another observer. For instance, consider a manager who distrusts other people, perhaps as a result of a series of bad experiences. As a manager, he realizes that he must assign some responsibility to the members of his staff and delegate some authority. So he, therefore, assigns a particular job to each member of his staff, but at the same time insists that each person checks with him before making any decisions. Soon he finds that he is overloaded with detail and that he has to be continually providing guidelines and frequently making decisions for all of his staff. He believes that he is managing his staff and delegating effectively but, in reality, they have insufficient freedom to act on their own and he is really doing all of the decision making and much of the work in the unit himself. He interprets his overloaded condition, however, as meaning that he cannot keep up with his work, so he asks for more staff. The more staff he obtains, the greater the confusion, and so on. This manager is unable to manage effectively as a result of his attitude toward people. When he manages in what he feels is an appropriate manner, his management is ineffective but the feedback he receives is misinterpreted. He, therefore, believes that he is managing effectively but that he needs more staff.

To try to remedy the problems that this type of confusion problems has created, a management improvement program is introduced. All of the managers are given lectures on delegation. By this time, this particular manager is overworked and overwrought and really does not have time for lectures. He attends, however, and, after listening to the lecturer and participating in the analysis of a case in class, decides to try to delegate more authority. He assigns a particular task to a subordinate, informing him that he has the authority to carry it out. At first the subordinate enjoys the increased responsibility but then something begins to go wrong. He has to make a decision to reassign some responsibilities and possibly to replace one person. The subordinate is unused to making such decisions and hesitates. The problem becomes more acute and soon comes to the attention of the overworked higher level manager. He takes corrective action but he has reinforced his belief that he cannot trust his sub-managers. Thus he will reinstitute his system of checking and monitoring.

This is not an unusual set of circumstances. The experience during the LGMP indicated that it is all too common and, in fact, that the inability to assign responsibility and delegate authority is a recurring problem in local government. The following is a review of what has happened in this situation.

a The manager has a concept of how to manage, gained through experience or training, or both.

b He tries out what he feels is an appropriate management approach but is not fully aware of the actual impact of his behaviour on his subordinates.

c He obtains feedback that tells him he is not getting the desired results but misinterprets that feedback.

d He modifies his concept of management as a result of his interpretation of the negative feedback and takes inappropriate action - the circle begins again.

Even when several managers are given the same lectures or training exercises on the subject of management, each of them interprets the concepts he has heard in his own unique way as a result of his past education and experience and, when they try to put the concepts into operation, each will act in a unique way. Thus, if they obtain positive feedback, it might act to reinforce quite different behaviour for different managers and they would each 'learn' to manage in quite different ways. Negative feedback, on the other hand, might result in the rejection of rather different behaviours by different managers. Case and involvement exercises during the training program may help managers to develop more similar techniques but only to a degree. This uniqueness of managerial behaviour, interpretation and consequent reaction has some major implications for both planned and adaptive management change.

6 IMPLICATIONS FOR MANAGEMENT IMPROVEMENT

While all of this may seem simple, straightforward and inconsequential it has tremendous implications for management training and development programs and for managers who are trying to improve their ability to manage. Primarily, it means that there is no such thing as teaching managers a step-by-step 'system' of management, because each person will hear something different, will act in a unique way and will be positively or negatively rewarded for somewhat distinctive behaviour. Thus managers undergoing the same basic training program will learn slightly different approaches to management.

In spite of individual differences, senior managers or trainers can promote the learning of certain techniques by providing positive feedback for the type of behaviour they are trying to encourage, and negative feedback for behaviour they regard as undesirable. In this way, over a period of time, they can help managers to develop certain desirable management behaviours. Because people learn new behaviours slowly, through the type of trial and error learning described earlier, the process

may take a long time. Each manager's learned behaviour will be unique to some extent, as it should be to accommodate his personal characteristics, but he may find out how to put the desired concepts into action in his own way and thus improve his own management ability. If the senior manager or change agent errs by striving for uniformity among managers, he is removing both the individuality of the manager and the influence of the special combination of factors which affect a particular manager's results. For instance, the manager mentioned earlier who had a bad experience with assigning responsibility, will need a long period of adjustment in which he gradually develops a working relationship with his subordinates to the point where they can learn to take responsibility and he can learn to give them the required authority.

He will need feedback, probably from his boss or from a trainer, to assure him that he is behaving effectively as a manager when he gives his subordinates greater freedom. He will also need feedback to help him to work with his subordinates to enable them to set objectives which will provide him with some feeling of security that they are managing effectively. In reviewing objectives he will need to develop an ongoing mutual feedback process with his subordinates, perhaps on an exception basis, which will provide him with some assurance that things are going well.

During the LGMP experiment certain implications of the foregoing assumptions about management programs were reinforced and these are covered in some detail because they provide guidelines for managers and change agents responsible for introducing planned change.

Firstly, before planned change can be successful, individuals need a clear understanding of the roles they must perform as effective managers. When roles are not clear, managers may set inappropriate objectives and may even receive reinforcement from the fact they have achieved those objectives. For instance, an overworked department head may set an objective to obtain an assistant to take over some of his duties and eventually attain that objective. What he really needed, however, was to assign many operational tasks to a lower level. This would probably have resulted both in cost savings and a more highly motivated sub-staff.

To clearly define their managerial roles, managers need to be involved in workshops in the initial stages of the program. Through group sessions involving discussion and feedback with other managers and trainers they can obtain a better understanding of their managerial roles. The LGMP experience indicated that standardized management improvement programs were of limited use. Managers can be told about various conceptual approaches to management but they really only begin to improve their management effectiveness when they become involved in defining their own needs for improvement and in working with a trainer or senior manager to implement the concepts that seem to them most applicable.

To the extent that they are able to identify and carry out appropriate management behaviours and obtain positive feedback, they will learn to manage more effectively. To get involved, however, managers need to be confident that they will not be criticized if they err in trying out new management approaches. Help, support and certain feedback from senior managers and change agents will assist them in making the required changes. First of all they need recognition for trying out new behaviours and then they need constructive feedback and positive reinforcement so they can shape the new techniques to increase their own effectiveness. A major problem in local government management has been the absence of rewards (or positive feedback) for effective management.

Problem identification workshops provide a means whereby a manager can involve his sub-staff in supplying him with feedback on his current management impact. Through the information he obtains during problem identification sessions, a manager can identify areas where he can improve and gradually modify his own managerial behaviour to reach a more desirable state in which fewer problems emerge. Ongoing problem identification will also help to develop mutual trust between managers and their sub-staffs.

Secondly, the reinforcement model of change that we have been discussing has some interesting implications for what has been customarily known as 'resistance to change'. Resistance to change has usually been attributed to some type of conscious attempt on the part of an individual to prevent a change from occurring or merely to maintain the status quo. The LGMP staff found this to be only partly the case. 'Resistance to change' was also commonly brought on by a variety of other factors. Such things as lack of skill, lack of awareness of the impact of present behaviour, unconscious fears, and lack of perceived reinforcement were found to be common causes of so called 'resistance'.

From a reinforcement learning perspective, a manager will learn a particular behaviour only if he is able to perform the desired activity so he can obtain reinforcement. Even though trainers can describe concepts, and the manager can try them out in a classroom setting, this does not necessarily translate into appropriate performance on the job. In fact, in the LGMP experience, most managers had difficulty translating workshop experience into active management probably because the workshop experiences were not directly related to the job. Some managers could quite rapidly adjust most techniques to fit their own situation and style of management, whereas others found the incorporation of new methods very difficult. Some were unquestionably resisting the new methods because they feared the potential consequences, but probably a greater number wanted to change and just had a great deal of difficulty in using the new techniques.

As a result of the largely unconscious aspect of human learning, managers often did not have a clear picture of the way in which they were managing at present. The responses 'I'm already doing that', 'We do joint problem identification now', 'We are holding review meetings', 'I obtain constant feedback from my staff', 'My door is always open', were frequently heard and almost

universally inaccurate. Under such circumstances, it was very hard to get managers to try out new methods and behaviours because they were almost completely unaware of the impact of their present actions. Only review workshops with peers and subordinates could supply the feedback required to enable the manager to become more conscious of his own behaviour, and the manager had to be psychologically able to accept such feedback.

When the LGMP encountered higher level managers who had difficulty in changing their own behaviours, they found that such managers frequently influenced managers at lower levels. If a senior manager did not provide positive, developmental feedback to his subordinates they, in turn, would not be reinforced for effective managerial behaviour and would revert to former patterns.

It appeared to the LGMP staff that most municipal administrators were eager to improve their managerial effectiveness if they could perceive some reward for so doing. In many cases, however, administrators needed a great deal of personal support and feedback while they were trying new approaches to management because innovation is frequently risky and may even expose the individual to public criticism by council. If managers did not receive ongoing help from higher level managers or trainers to guide them during the change, they often failed to adapt the new methods to suit their needs and retreated to their previous approach to management.

There was a need for both positive feedback and help in adopting new behaviours. Unquestionably the best source of such feedback was higher level managers. When initiative and effective managerial behaviour was reinforced by upper level managers, most were willing and able to change their approaches to individual management. The exceptions were those managers, mentioned above, who were not aware of their present managerial behaviour and who were unable or unwilling to try out the new behaviours for one or more of the reasons described earlier.

Fortunately the LGMP staff, although they were not initially aware of the need for step-by-step feedback by managers undergoing change, were prepared to spend a great deal of time working with individuals. The Project Leaders in Regional Niagara, St. Catharines and Ottawa devoted a great deal of time to working with managers, often at the expense of their regular jobs. (The Project Leader in London was assigned to other roles by the CAO). Municipal Project Leaders were immediately available, they were trusted (as a result of a great deal of effort on their parts) and they understood administrators' language and problems.

Since this paper is primarily directed to senior managers and to facilitators who will be helping other managers to make changes, the implications of the previous discussion for the trainer's or facilitator's role will be specifically reviewed.

7 IMPLICATIONS FOR SENIOR MANAGERS AND FACILITATORS

Senior managers who are initiating new management approaches and techniques need to have a clear understanding of the probable end result and also need to be clear on the method whereby the change will be made. They can then take joint responsibility with change agents for ensuring that people at lower levels are also clear regarding the potential consequences and the methods to be used. This can be accomplished through individual discussions between a manager and an advisor, training workships, team meetings and other methods of communication. All of these help to develop confidence in the trainers, in the positive motives of higher level supervisors, and in the process itself.

Facilitators and senior managers must also be prepared to give managers personal aid in making the behavioural change through feedback and suggestions for improving effectiveness. Teaching management concepts may be helpful but it is a long way from conceptual learning to the actual practice of management.

Senior managers, in particular, need to ensure that the managers who are attempting to change are given sufficient freedom to try out new behaviours gradually and that they are reinforced for effective behaviour and given non-threatening feedback on ineffective behaviour. It is critically important that senior managers do not expect absolute conformity. Each manager learns new methods and techniques of management within his own frame of reference and in such a way that they integrate with his own approach to management. Thus situational influences, past management habits and the nature of the people supervised by the manager, will all play a part in the changes in his behaviour which actually occur.

Finally, senior managers need to provide rewards for effective changes as they occur and for the development of increased adaptive capability on the part of lower level managers. This means positively reinforcing innovation and the acceptance of certain risks, and possibly certain costs.

While discussing the implications of the reinforcement learning model, the type of reinforcement and reward which may be used has not been emphasized. This will be discussed in the final section, in company with potential approaches to management improvement and a more detailed discussion of the facilitator's role.

Part II

Organizational Change

Organizational change can probably be best described as a planned or adaptive alteration in the interface between people or groups within the organization or in the interface between the organization and some elements of its environment. The amount of alteration in those interfaces is a measure of the extent of organizational change. It is assumed that successful organizational change will result in increased efficiency, effectiveness or personal satisfaction for the organization and for the people involved.

Organizational change requires individual change and is controlled to a large extent by the willingness and ability of individuals to change in a particular planned or adaptive direction. Planned organizational change may result from: decisions to reallocate responsibility; to centralize or decentralize authority; to adopt new methods, techniques or technologies; to change products or services; or to increase efficiency or effectiveness. In all of these cases, the planned aspects of the change may only represent a part of the actual change which takes place in interfaces throughout the organization. Thus, while this paper concentrates primarily upon planned management improvement programs and emphasized the degree to which individuals throughout the organization control the relative success of planned or adaptive change, it should be recognized, and is emphasized throughout, that any technological change or change in methods, structures or procedures, will impact upon individuals. The impact upon individuals and the reaction of those individuals to the change will determine whether or not the change makes a positive contribution to organizational effectiveness.

WHY BE CONCERNED WITH ORGANIZATIONAL CHANGE?

Organizational change and development programs in local government should be intended and designed to bring about more efficient and effective services to the public and/or to help the municipalities to adapt to changes in the environment. Such programs will likely have one or both of the following major types of objectives:

1 they may aim directly at an improvement in productivity, efficiency or effectiveness in regard to *the service supplied*; or

2 they may involve the development of *management processes, systems and structures* which have a high probability of leading to increases in efficiency and effectiveness.

In most management improvement programs both types of changes will take place. Many times targets are established to improve output without a thorough consideration of the processes involved. Really effective organizational improvement programs will aim at changes in both processes and output.[1]

WHERE DOES CHANGE OCCUR?

Changes can occur at the individual level in terms of individual attitudes or behaviours, or both. They can also take place in formal and informal organizational structures and systems, in the tasks performed, and in the internal and external environment. In local government there are certain limitations because certain structures and controls are imposed by other levels of government, for example, through the Municipal Act. These cannot be changed directly by local action because they are not under municipal control.

The LGMP staff came to believe that organizational change can best be defined, understood and examined by regarding it as an alteration in the interfaces within the organization and between the organization and its environment. Probably the best way to indicate what is meant by interface in this context is to include a number of examples of interfaces at various levels in the organization at which changes might occur. For example, it is possible to examine interactions in the following interfaces, which seem to some degree at least to be related to changes which might take place in management improvement programs.

1 The interface between individuals and the organization in terms of:

   a The degree of productive effort on the part of individuals.

   b attendance, promptness, etc.

   c The extent of role and goal conflict.

   d co-operation and willingness to co-ordinate efforts with others.

   e The tendency to be innovative, autonomous and personally responsible (to try out new methods and techniques and to be frank in problem identification of responses to such behaviours by the organization).

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1 Measures which will indicate changes in output and processes are described in some detail in *Improving Management Performance: The Contribution of Performance and Productivity Measurement.*

f The degree to which effective performance is important (attitudinal).

g The degree to which the welfare of the individual is considered to be important.

h The degree of understanding of personal and organizational goals and objectives.

i The actual activities the individual performs.

j The degree to which desirable career programs and incentives are developed by the organization and accepted as valid by the individual.

2 The interface between the individual and his superior in terms of:

a The degree of support by the supervisor for the individual's innovative, responsible behaviour.

b The amount of emphasis upon the tasks and the extent of mutual feedback regarding task related behaviours.

c The extent to which objectives are mutually understood.

d The extent of joint objective setting, identification of problem areas, and mutual conflict resolution.

e The extent and nature of direct communication.

f The extent to which the relationship is one of mutual development and growth.

g the extent to which the supervisor makes the decisions relating to the subordinate's task.

h The amount of freedom accorded the individual and alternatively the amount of direct supervision.

3 The interface between organizational units in terms of[2].

a The extent and nature of joint planning.

b The attitudes held by each unit toward each other unit.

c The willingness of the people in one unit to work with those in another unit.

d The extent to which common communication and information systems exist.

e The extent to which common contributions to organizational goals and objectives are discussed and put into operation.

f The type and extent of mutual support services.

g The amount of actual co-operation and co-ordination.

h The number of cross divisional or departmental programs or projects.

i The degree of involvement in determining higher level goals and objectives and resource allocation.

j The extent of integration or centralization established by upper levels of management, e.g. a chief administrative officer.

4 The interface between council and administration in terms of:

a The particular roles each play in managing the municipality.

b The extent to which corporate goals and objectives are developed and the degree of mutual input.

c The degree and type of administrative involvement in the determination of corporate plans, goals and objectives.

d The extent to which clear procedures exist for recommendations and approval processes.

e The amount of open communication and the methods of communication.

f The attitudes of council toward administration and administrators toward council.

5 The interface with other levels of government, other boards, commissions and agencies and other municipalities in terms of:

a The attitudes toward other municipalities and toward co-operation in developing joint solutions to mutual problems.

b The degree to which municipal goals and objectives are made available to the Province along with municipal requests for authority, provincial legislation, requirements for provincial support or suggestions for provincial action in the municipality.

c The degree to which joint planning is carried out by the municipal council in conjunction with other boards, agencies and commissions.

d The extent of joint planning, co-ordination and sharing of facilities with other municipalities.

6 The interface between the local government and the public in regard to:

a The extent to which council is aware of and reflects public attitudes.

b Public representation to council.

c The extent of activities of citizen groups and the apparent objectives of those groups.

d Public attitudes toward local government.

e Public attitudes toward local government services.

f Public participation in local government programs and in support of local government programs.

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2 It is significant that the interface between the individual and the work group is not included as a special heading and has been subsumed in 'a' and 'b'. The LGMP experience indicated the importance of the attitude of the individual toward others within the organizational unit, e.g. department or division in local government, but the staff feel that these attitudes plus the extent of the influence of work groups can be measured in terms of the work related behaviours outlined in 'a' and 'b'.

g Community sponsored activities supported by local government or which are incremental to local government.

Alternatives in behaviour which occur at these and other interfaces are probably the best indicators of changes in management practices in local government. Such alternatives do not necessarily signify improvements, but if they conform with the objectives of an organizational change program, it might be inferred with some degree of accuracy that the changes resulted at least partially from the program. Since changes may occur in the way managers do things, as well as in the end results relating directly to productivity, it is important that both changes in output and changes in processes are understood so that appropriate objectives can be established and alternative behaviours measured.

THE MEASUREMENT OF ORGANIZATIONAL CHANGE[3]

It is crucial to evaluate the effectiveness of a management improvement program if only because many changes may be necessary or desirable in the course of the program. To effectively trace and understand organizational change it is necessary to understand what type of changes are important and can be expected from a particular program. While the program is in progress, changes in attitude toward the change process, toward the task, toward senior managers and toward the organization, are important and should be measured. The LGMP incorporated a lengthy individual employee questionnaire for that purpose and tried to probe as many dimensions as possible.[4]

Attitudinal data may not be a very reliable indication of the changes which have actually taken place, however, because often behavioural change occurs as the result of positive or negative reinforcement and the individual may not be aware that the change has occurred.

To back up attitudinal data and performance measures the LGMP experience suggests that changes in procedures, processes or structures in all of the interfaces identified earlier should be recorded. Merely recording changes in review processes, in budget procedures, and in the purpose and roles of committees can be a revealing process. An organization beginning a major process of change might be wise to begin with an inventory of current procedures, interactions and structures.[5]

THE QUALITY OF ORGANIZATIONAL CHANGE

The LGMP staff consistently found that managers involved in an organizational change program will usually try to do what is requested of them if they feel the demands are at all credible. For instance, if a department head asks for a complete set of goals and objectives from his sub-managers and/or employees he will probably get a full set of goals and objectives, although those goals and objectives may not be meaningful.

The LGMP staff have classified explicit changes in systems and managerial behaviour as mechanistic changes. Mechanistic change involves clearly identifiable changes in procedures, e.g. a manager begins to set explicit goals and objectives, or a particular budget procedure is introduced or a particular form or format is accepted for whatever purpose. The introduction of scheduled meetings would be a mechanistic change. Such changes are clearly identifiable in and of themselves. They do not necessarily imply changes in interactions or relationships beyond the one identified in the description of the change itself.

Mechanistic changes may eventually bring about ongoing changes in interaction and activities and/or they may have consequences for the organization which extend far beyond the scope and nature of the mechanistic change itself. On the other hand, they may represent cosmetic changes that merely involve time and which can actually detract from the effectiveness or efficiency of an organization.

What the LGMP staff have identified as organic changes on the other hand, can be defined as a flexible change in the processes of management which create an adaptive capacity on the part of the individual or organizational unit involved. An effective goal and objective setting process, for example, would be one which could be adapted to suit the needs of various managers. The adoption of such a process throughout an organization would be classified as an organic change.

Other examples of organic changes might include alterations in behaviour which result in a different degree and type of co-operative behaviour between individuals, or in alternations in organizational processes, such as the actual degree of sub-manager involvement in decision-making. To deal with the latter example, a mechanistic change might occur in the number of meetings between a senior manager and his subordinates but an organic change would only occur if there was an actual change in the degree to which the subordinates were involved in decision-making, that is, if the decision-making process itself were changed.

The importance of distinguishing between mechanistic changes and organic changes is fundamental to the assessment of the impact of a change process. For example, the degree to which a 'management by objectives' approach has been adopted can be measured in terms of the number of mechanistic changes in management which have occurred. If top management indicated that managers were expected to set objectives, most managers at lower levels in the organization would rapidly develop the required evidence of objectives, often at a considerable cost in time. Those managers might not, however, be using objectives effectively and the organic processes, such as delegation of authority or team decision-making, that really determine the

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3 A reference has already been made to the LGMP publication *Improving Management Performance: The Contribution of Performance and Productivity Measurement*, which discusses measures of output, process oriented measures, fiscal oriented measures and program evaluation in some detail.

4 Some detail on the Individual Employee Questionnaire (IEQ), Basic Organization Questionnaire (BOQ), and the LGMP Team efforts at process observation are included in *The LGMP Experience: Phase III.*

5 The LGMP Basic Organizational Questionnaire (BOQ) was designed for this purpose.

positive impact of an MBO system, might not be present. In fact, a large number of mechanistic changes without accompanying organic changes, might only result in an increased workload for managers under an MBO system.

It is important to recognize, of course, that organic changes may eventually or even immediately result from the introduction of a mechanistic change (a change in procedures). In fact, the relationship could almost be looked upon as one of formal procedures (mechanistic changes) as compared to actual processes of operation (organic changes). Thus the mechanistic change, for example more problem identification workshops, might result in an organic change, more open communication, understanding of problem areas and problem solving behaviour. On the other hand, if the mechanistic change takes place in the above example but the senior manager in the problem identification team responds negatively to input from his staff, a negative organic change in the direction of less communication and lower morale and mutual problem solving may result.

In effective change, however, mechanistic change and organic change go hand-in-hand and the main problem for a change agent is the introduction of a mechanistic change which will stimulate the desired organic change.

It is interesting to apply the concepts of mechanistic and organic change to the problem of resistance to change. Managers may resist change by refusing to introduce mechanistic processes or procedures which are part of a new system of management. On the other hand, seeming resistance may result because they are actually unable to make the mechanistic change. They may also refuse to attempt to make those changes in their managerial behaviour which would result in organic changes in interactions with others, such as the development of an ongoing problem identification process or, finally, they may find it impossible to make the organic changes, e.g. really allowing subordinates to get involved in problem identification. It is very significant that many managers are simply not able to make organic changes in their operation, e.g. to delegate more effectively, or to encourage lower level participation in decision making, or to trust other managers. They need a good deal of fairly sophisticated and long term help from a change agent to make such changes. In addition, they need patience, understanding, social support and reinforcement from their superiors. Even then, in some cases, they may not be able to make the desired change.

Organic change is frequently difficult, hard to define, hard to measure, and is often only possible under particular conditions. Organizational changes may need to occur in sequence and may require continuous support for a long period of time on the part of a change agent. Managers may perceive a process as being capable of producing a particular type of change, meanwhile they may ignore other impacts of the process that may be having a detrimental effect upon the organization. In spite of the problems described here in the implementation of organic change, there are significant, long lasting and far reaching benefits to be gained if organic changes can be introduced. Once the change processes which constitute organic change have been properly set in motion and are maintained, an organization should find that its sensing and adaptive capabilities have improved dramatically. The most successful organizations, in the highly competitive segments of our society, tend to be the more adaptive ones, even in those instances where the organization is so powerful that it has a considerable degree of control over its environment.

CONTROL OF ORGANIZATIONAL CHANGE

There are probably no experienced managers who have not been baffled and frustrated at sometime or another by the reaction of their unit or organization to what seemed to be a relatively simple change in procedure, structure, responsibility, equipment or in a method of operating. Often the response is unexpected, but relatively minor. At other times the impact goes far beyond anything that might have been anticipated, affecting many of the interfaces identified earlier that seemingly had nothing to do with the intended change. The following are some examples of poorly executed changes.

Example I

A senior administrative team in one municipality began to operate as an effective corporate advisory unit for the council. Just as the department heads on the team were congratulating themselves on the effective management system which evolved they found that their division heads, the next level of management, felt isolated; they felt cut off from communication with their department heads. The senior administrators realized that they had been neglecting to communicate with their department staff as a result of their concern with corporate problems.

Example 2

A number of departments supplying direct service to the public in one municipality were involved in goal and objective setting. Some of their goals and objectives required help from support department areas such as personnel development, budgeting and long term planning. The support departments put pressure on council, through particular councillors, to control the scope of the management improvement program, probably because they feared some loss of control. This action discouraged the service departments that had originally taken the initiative and protected the *status-quo* of the support departments.

Example 3

A data systems division head developed what appeared to be a technically very effective management information system. While developing the system he had very limited discussions with line managers but had the full support of the chief administrator. A review of the system after a year revealed that line managers in some departments were not using data from the system. A subsequent investigation indicated that much of the data that had been obtained from line departments was inaccurate. Line departments also indicated that they were unsure of the purposes for which the information was being used.

Examples such as these are common and probably some of them sound familiar. Organizational change strategies seem easy to design but their outcome is hard to predict and it is difficult to limit and control their impact. Each municipality, like each individual, is unique and will respond in a unique way to an organizational change program. The LGMP is an excellent example. The organizational change programs that evolved in the four Project Municipalities bore little resemblance to each other, yet they all began from a common base.

The LGMP Team quickly learned of the dangers of trying to implement a standard management improvement program. Administrators and councillors in each municipality must decide upon the type of management improvement that is most important and when and how it should be implemented. A consultant can provide them with information on alternatives, can help them to analyze their management needs, can aid in resolving conflicts and in helping the municipal managers to reach a decision, but the program that emerges must be 'owned' and controlled by the municipality. *Municipal managers must make the decisions and bear the responsibility for its success.*

The need for municipal ownership and responsibility for the effectiveness of any program of change has already been emphasized. Equally important, however, is involvement in the planning, implementation and control of the program by managers at lower levels in the organization. Only people who are actually doing a task can supply the information necessary to accurately recognize the problems which are preventing them from being truly effective. Often those problems originate at higher management levels but can only be recognized and dealt with there after they have been clearly identified by people at a lower level.

Without input from managers and employees at all levels, optimum management improvement is unlikely. Unfortunately, many programs of organizational change have consisted of largely cosmetic or surface changes to satisfy the desires of some prestigious manager. In such cases an apparent change has taken place but the quality of the change is questionable.

We readily think of objectives as they relate to outputs, but objectives involving changes in management processes are also important because they get more directly at the behaviour which occurs in the various interfaces described earlier. Changes in managerial processes, however, must be treated with a great deal of care and need to be continuously related to changes in efficiency and effectiveness. As emphasized earlier, each individual operates in a unique manner and different procedures and interactions may be more effective for one individual than for another, or for the individuals in one technological area as compared to another. A rigidly imposed set of processes may remove a manager's flexibility to adapt his current mode of operation in order to take advantage of the new concepts. The LGMP staff believe that process changes are important, but that they must be introduced in a flexible manner allowing the individual to adapt them to his own personality and situation. Change agents and senior managers can reinforce positive changes in processes and discourage negative ones once they are sure of the relationships between the processes and performance.

If managers become more efficient as the result of a change process, there will usually be some organizational slack. Unless that slack can be taken up in expanded activities and increased responsibility, neither the organization nor the individuals will realize any advantages from the change. Thus organizational change will usually mean the introduction of gradual attrition in static organizations or the shifting of people in dynamic organizations to places where vacancies occur. In either case the follow-up on the development of slack should be rapid, so that non-productive habits are not developed or make work projects or activities are assigned to take up slack time. If either of these consequences occur, the managers involved may learn non-productive work habits which often develop unconsciously and are extremely hard to change once they have developed. In fact, a period of expensive retraining may be necessary to revitalize the organization.

As a program director concerned with controlling the implementation of a program of organizational and individual change it would seem necessary to:

a ensure that each manager and employee involved is aware of the potential pay-off both for himself as a productive individual and for the municipal operation;

b get people involved in deciding upon the speed and nature of the change as it relates to them;

c provide rewards for effective management so managers see a need for change;

d introduce a few changes at a time and trace the impact of those changes by measuring the various things which happen in different parts of the organization;

e look not only for the changes which are expected to occur but for other changes that may affect behaviour in the interfaces described earlier;

f allow considerable time for changes in efficiency or effectiveness to occur because the process of learning new behaviours is generally slow; and

g obtain continuous feedback from the managers undergoing the change and be ready to act on that feedback;

h continue to provide managers with challenging jobs as they learn to delegate to a greater extent, helping to provide desirable career paths, both inside and external to the organization.

Part III

Implementing A Management Improvement Program

This part of the paper is devoted to a discussion of some considerations necessary in introducing and implementing a management improvement program. While the concepts of both individual and organizational change are simple enough, the implementation of either planned or adaptive change is complex. Individuals and organizations both differ and the recognition of those variations is a very important part of management improvement.

In the following pages a framework has been outlined which should provide some help and guidance, or at least a basis for thought, for municipalities undertaking any major program of organizational change. This framework incorporates the thoughts relating to individual and organizational change which were expressed in Parts I and II.

Municipalities may not be prepared to enter into large scale management improvement programs. Such major endeavours are complex and difficult, thus carrying a high risk of failure. The LGMP experience indicates that caution is advisable and that support for organizational change must be confirmed at each stage. It also indicates that a municipality should consider its overall needs for management improvement at the outset and at times during the program. Once the various needs for change and improvement have been outlined, a long term program to meet those needs can be established. Council and administration can determine priorities among the needs and then work on selected areas, gradually revising the municipal operation until it has become as efficient and effective in adapting to changes in the environment as can reasonably be expected.

To this point in the paper, problem areas in introducing management improvement programs have not been discussed. Before proceeding with a set of guidelines for introducing change some potential problem areas will be identified. The guidelines which follow should be more useful to managers who are armed with a clear understanding of the basis of individual and organizational change and with a clear knowledge of some of the pressures which may be encountered when such changes are attempted.

PRESSURES WHICH MAY BE ENCOUNTERED IN MANAGEMENT IMPROVEMENT

For convenience, the pressures which municipalities encounter in introducing management improvements have been categorized into financial, political, bureaucratic, structural, managerial and consultant support issues, even though the obvious overlaps in these categories is recognized. Each of these categories will be discussed briefly because they should be considered at the beginning by both senior managers and change agents who are involved in the introduction of major initiatives in management improvement.

1 Fiscal Considerations

Fiscal impacts upon programs may have quite different sources depending upon the situation in a particular municipality.

a Occasionally municipalities have become involved in change projects simply because the funds are available. Certain councillors or administrators perceive a requirement for change and improvement. They may hear about effective programs in industry or in other municipalities and feel that the program may be directly applicable to their own municipal operation. The current popularity of zero based budgeting is an example where, as with management by objectives and planned program budgeting, the concepts are simple but the effective implementation may be very difficult.

In many cases the municipality is committed to involvement in the program without a needs study to indicate what purpose the new program might be intended to serve. Often the objectives and potential contributions of the new program are also not thoroughly explained. The municipality may in effect be buying a program which does not even have the capability of meeting high priority municipal needs.

It is highly unlikely that programs introduced in this way will meet with significant long term success. Perceptive external consultants may be able to identify certain glaring inefficiencies and to recommend immediate corrective action but unless a program is carefully designed by consultants working with administrators, and preferably councillors, it is unlikely to meet major needs for management improvement.

To some extent the LGMP suffered from this type of fiscal problem. The Project Municipalities joined the Project as a result of the interest of two or three progressive administrators or councillors. An effective needs analysis was never carried out, to provide a focus for the program, and since the cost to each municipality was relatively low as a result of strong Provincial funding, a serious attempt was not forthcoming on the part of some administrators or coun-

cils to ensure that the municipality gained as much as possible from the Project.

b Fiscal restraints sometimes result in the redefinition of management improvement programs to meet budget constraints, rather than the needs of the municipality. The result may well be a significant reduction in the returns to the municipality on its present and earlier investments in the program. For example, the LGMP staff quickly discovered the need for basic management training before goal and objective setting could be truly effective as a means of management improvement. This training could have been accomplished quite economically but municipalities, with one exception, did not make funds available. In any case, co-ordinative structures did not exist for the melding of the two programs in the other three municipalities. Thus, many managers were unable to set appropriate goals and objectives because they were not delegating, assigning responsibility and otherwise communicating effectively with their staffs. Fiscal restraints of this type may very well mean the end of the effective life of a program.

c Many behavioural change programs require a significant investment of managerial time and money before the municipality begins to reap major benefits. Even then the major benefits may not be directly apparent or measureable because so many other factors will also influence the operation. Unfortunately, senior administrators and councillors frequently lack the necessary patience or fail to allocate sufficient resources and staff time to the maintenance and continued development of the program, particularly after the consultants leave.

2 **Political Difficulties**

a Legislative, political,policy and funding changes at the provincial and federal levels are items over which municipalities have little influence. In addition, municipal councils in Ontario change to some extent every two years, as a result of an election and new councillors may bring a different perspective to existing management improvement programs. These essentially political factors are not completely beyong a municipality's control. Well managed municipalities with a clear sense of purpose and priorities, with goals and broad objectives, and with an understanding of potential municipal needs in the future will:

   i be able to make a better case to regional, provincial and federal governments in regard to subsequent funding needs and the required extent of local authority; and

   ii have a reference for councillors, administrators and the public indicating where the municipality is now and where it intends to go in terms of development, services, quality of life, etc. Corporate goals and objectives can provide that reference and will give new councillors and citizens the understanding they need to make effective input to the future direction of municipal operations.

   Changes, e.g. the election of councillors with fresh ideas may work to the advantage of an adaptive change process, however, the opposite effect is the more likely outcome unless the municipality is operating as an effective corporate unit and is able to incorporate new ideas into its ongoing operation.

b Municipal administrators' frustration regarding their inability to effect needed changes at other levels of government, even in their own councils, often results in feelings of resignation regarding the value of trying to change anything. When this happens they may tend to withdraw from management improvement programs or they may be passive participants giving lip service to the concepts but at the same time blocking their application.

c Another threat to program effectiveness lies in the misuse of confidences and the use of the change program for political rather than organizational purposes. Both of of these actions have a highly negative impact upon change programs. If the information obtained in problem identification workshops, for example, is used for personal political advantage by anyone, or inadvertently is made public by change agents, councillors or administrators, the input of participants will be guarded and calculated to make the contribution 'look good'. Thus the problem identification base which is so important for effective management improvement will be lacking.

3 **Bureaucratic/Structural Difficulties**

a Management improvement may be slowed or side tracked by road blocks in the form of structural requirements, procedures, policy, bylaws, political patronage and the various problems inherent in co-ordinating change in an organization with rather independent departments and layers of bureaucracy. Without a willingness and commitment by most senior administrators to deal with these problems and without council support, it is unlikely that the major benefits of an improvement program will be realized. Frustration of those managers who spearheaded the program will be the inevitable result. A review by the reader of the description of the LGMP in Ottawa will suffice as an example.[1]

b Bureaucratic delays, from the funding to the execution stages of a program can frustrate and discourage program supporters. By the time decisions are made, the problems and parameters may well have changed and/or the original motivation for management improvement may have disappeared.

c The measurement of effectiveness and efficiency in municipal management and service delivery is difficult and has not been developed to any extent. As a result, both problem detection and the measurement of the effects of a change in methods, techniques and even technology often proves elusive. The uncertainty regarding input hampers the change program by reducing its credibility.

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1 See *The LGMP Experience: Phase III.*

4 Managerial Difficulties

First of all, unless certain preconditions exist in a local government, a change program is unlikely to be successful. Prerequisites for change are discussed in another LGMP publication,[2] however, some revising and additions to that discussion are included in Appendix I. Second, and of very great importance, effective organizations depend upon able, capable managers. Techniques, methods and an understanding of management can help managers who have the requisite ability to do a better job, they can not salvage those managers who do not have basic ability. Given the need for a certain amount of basic ability a number of other management related factors will influence the potential of a management improvement program.

a Managers from diverse functional backgrounds have difficulties in communication let alone in establishing and/or becoming committed to a common set of goals. They are often not accustomed to working with, co-operating with or trusting one another; in fact, their traditional relationships may have disfunctionally competitive. Unless sufficient attention is given to these issues, the resulting conflicts can prove quite harmful for corporate management.

b Fear of negative outcomes, combined with concerns about the use of any information which is revealed to change agents, etc. tends to result in a lack of openness and in other behaviours directed towards protecting oneself (e.g. the covering up of problems, fault finding in others and the refusal to accept the fact that some problems exist). These difficulties need to be addressed and resolved before real headway will be made in a management improvement program.

c Uncertainty and limited awareness of what the change involves and of the means and ends targets can lead to grave distortions in a manager's understanding and description of the program to subordinates or peers. Facilitators and fellow managers need to be particularly vigilant for mistaken preconceptions, misperceptions of purpose, and attempts to misuse the change program (e.g. use it to 'get someone') or to scuttle the change effort.

d As a result of the nature of the initial sales rhetoric, managers occasionally develop inflated expectations of the benefits to be derived from an organizational change and development program. The subsequent deflation of these expectations, and the long period required for results, will often lead to feelings of disillusionment with the program, and feelings of distrust and betrayal towards the change agent. As indicated in the next section, the effective introduction of the program will alleviate such difficulties.

e Managers generally lack sufficient training and awareness of what to look for in a behavioural change consultant, a change proposal, or the change program itself. They also feel unsure how they can best measure the effectiveness of the change and thus feel uncomfortable and unsure as to whether or not they are doing the right things. The change agent may be able to use this to his advantage but it is in the long run best interests of the municipality to overcome those shortcomings, for they tend to inhibit the potential for management improvement. Once again, an effective needs analysis and the appropriate introduction of the improvement programs will serve to attenuate such problems.

f Often senior managers and/or consultants decide upon problem areas and potential solutions without the involvement of lower level managers and employees in problem identification. Thus, the lower-level manager is often left facing a change in operation he does not fully understand, disagrees with, and/or feels highly uneasy about. He is also expected to communicate and sell the need for change to his subordinates and peers. In fact, his needs for change and management improvement may not have been incorporated in the program design at all and it is little wonder that such managers do not follow through in the expected manner when a program of change is initiated.

g Many managers are trained to address their work in a mechanistic, task oriented manner. Though mechanistic approaches to problem finding and problem solving may work well for technical problems, they appear to be a less effective way of dealing with 'people' problems. Unless managers develop skill in dealing with behavioural change in a more organic and flexible manner, the probability of the long-run success of the change will be low. There may be signs of success (i.e. new forms are filled out, terminology used, or dictates followed), but if the approach has been strictly mechanical it is likely those signs will be more illusionary than real because managers will not be involved in an ongoing process of mutual problem identification and problem solving.

5 Change Agents

CONSULTANT DIFFICULTIES

a Consultants are sometimes guilty of successfully selling prepackaged or favoured cures without a real understanding of the organization's needs. Even if these prepackaged cures have potential, human learning takes place slowly and the managers who are making major changes in their approach to management need to be able to try out new methods and receive feedback over a long period of time. The consultant time involved is tremendous and the cost is beyong the scope of a municipality unless internal managers are trained as facilitators. Only through the combined efforts of internal facilitators, external consultants and the managers themselves, can the new techniques be adapted to meet managers' needs.

b In an effort to gain acceptance and continued billings, consultants occasionally play almost exclusively to the egos of senior administrators or councillors, to the exclusion of the real problems. Though the resulting long term interventions may meet with

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2 *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

a positive reaction on the part of senior executives, they raise ethical questions and, in the long run, may reduce an organization's ability to adapt. This reduction in flexibility comes about because of the earlier reinforcement of a 'rose coloured', or otherwise inaccurate view of reality.

c Consultants at times uncover problem areas which require training and skills they do not possess. When consultants are unwilling to identify these situations and to take appropriate action to encourage the obtaining of appropriate help, significant additional problems can result.

d There are many incompetent people in the consultant field. Organizations unfortunate enough to get entangled with such individuals face the very real dangers of significant organizational damage. Managers thus burned will have a high degree of reluctance to get involved in such projects in the future. In fact, the LGMP Team found that municipal staff had seen many consultants come and go with little apparent positive impact. As a result there was no real reason why they should have assumed that the LGMP Team would be any different.

e Consultants who fail to identify and effectively relate to all individuals who feel they are affected by a change program will not likely be successful in the long run. Purely mechanistic, rational programs for change, superimposed by higher-level managers working with a consultant, have generally proven to be of limited value.

f Sometimes consultants are unable to work effectively with particular clients and to understand their needs. They compound the problem by not developing internal consultant expertise.

Because this area has proven to be so crucial during the LGMP it will be discussed in some length at this point. The LGMP Team has concluded that consultants generally do not spend nearly the time required to provide the required assistance to managers who are attempting to change their approaches to management. The Project Team recognizes, of course, that no consultant has the time, or municipalities the money, to provide the detailed consultant help required. The LGMP Team feels, however, and the Project results seem to confirm that feeling, that bright young middle managers can be trained to be very effective internal consultants.

To guide such internal trainers and consultants the following brief section outlines some of the important aspects of the internal trainer's role.

THE CHANGE AGENT OR FACILITATOR AND MANAGERIAL CHANGE

The individuals who have the responsibility for fostering and implementing the change are sometimes referred to as change agents, interventionists or facilitators. These three terms mean basically the same thing and usually are used to refer to those inidividuals outside the immediate work group who are attempting to foster or assist in the change. They can equally well refer to a manager, however, for each manager often plays a key role in working with subordinates to plan and facilitate change.

In preparing for the planning and implementation of change, it is both tempting, and easy to avoid dealing with the managers who will be involved, on an individual basis. Aggregate information, such as that resulting from surveys, may help in diagnosing problems and planning general courses of action. It has limited use, though, when attempting to assist individuals at any management level in effectively making relevant changes. To help managers to change, considerable amounts of sensitivity, patience, perceptiveness, flexibility, maturity and judgement are needed. It is also critical that those persons responsible for helping managers to implement change are trusted, respected and able to empathize and relate positively with their managerial clients.

HOW CUSTOMIZED SHOULD THE CHANGE BE?

As stated earlier, it is individuals and not groups who do the actual learning and changing. Thus, change programs that fail to take into account important individual differences and fail to actively involved individuals in implementing and controlling the change are much less likely to succeed. Aspiration levels, expectations, needs, attitudes, values, present modes of behaviour, previous experiences and personal perceptions of the work environment, are among the more important individual differences, and these can only be fully considered when the individual himself is involved in planning and implementing change.

This concentration upon the individual is not intended to suggest that mollycoddling is a recommended change strategy. It is meant to suggest that there is high value in knowing the persons involved and in being able to help them to adapt the change to fit their situation and to meet their needs and the needs of their subordinates.

CHANGE AGENT SKILLS

Efforts must be directed toward an understanding of the individuals involved and toward helping those individuals to adapt the process to their needs throughout the change process, and not just during the planning and problem identification phases. Since it is the individual who really decides whether or not he will adopt the change (beyond possible mechanistic conformity), it is not surprising that a listing of important change agent and thus, management skills includes sensitivity, patience, perceptiveness, flexibility, maturity and judgement.

In addition to the above skills, the change agent also needs some working knowledge of learning and attitude change theory. Much of the theory embodied in this report comes from the application of the relevant research and theory in these areas and was confirmed by the LGMP experiences.

A listing of the 'do's' which change agents should consider in their dealings with individuals includes the following.[3]

a Deal with the involved persons on an individual basis and as individuals.

b Recognize the pressures and needs for change and be able to translate those effectively to the individual.

c Be aware of how the individual operates, learns and interacts with his subordinates, his job, and the organization.

d Be conscious of the individual's feelings about you and the proposed change.

e Attempt to build trust and respect between yourself and the individual and be very sure that confidences are handled with discretion, so that the trust is not abused. If you desire to act on a confidence, check with the individual first.

f Recognize the moderating factors which inhibit or enhance individual and organizational change and the responses of the individual managers.

g Make sure you have sufficient support from higher level managers for the type of change that is being implemented.

h Assure that you are communicating as openly as possible with the individual. This necessitates your awareness of the communication blockages you may initiate unconsiously.

i Keep your approach flexible and be able to work with managers to adapt both the approach and the process to individual needs. It appears to be much more important to admit you are wrong than to adopt a doctrinaire approach.

j Be consistent but demanding, keeping the pressure on the individuals to improve their use of the relevant techniques, at the same time be prepared to take calculated risks to back the manager you are helping when appropriate.

k When managers are quite evidently holding up progress on the part of others, or their subordinates, level with them indicating the problems they are creating and, if it seems advisable, include them in problem identification and planning discussions with higher level managers so they can make their objections to the program known. The program can be adapted to their needs if necessary.

l Attempt to understand the individual from his point of view, recognizing that an important issue is going to be 'Why should I take the risks associated with changing?'

m Attempt to minimize in a real sense, the risks and threats seen associated with making the change. Higher-level managers can help greatly in this regard by reinforcing effective management behaviour.

n Recognize that change is a tough, time consuming process that should not be rushed, and that trust and teamwork both take a very long time to develop.

o Recognize that the managers you deal with are potential change agents for their subordinantes and that your task is to provide guidance, support and counselling and to effectively work yourself out of a job insofar as a particular management improvement is concerned.

As already indicated, the most effective change agent is the manager one level higher in the organization than the person undergoing change because he has the potential to reward the junior person and, at the very least, can provide him with support for innovating. The main problem for a senior manager acting as a change agent is the difficulty of developing open communication with people who report to him as a result of the power differential.

The senior manager needs to set an example and also indicate his genuine interest and belief in the program through his own actions. If he indicates that he can accept and act upon constructive feedback from subordinates and, at the same time, can indicate his support for their efforts to change, he has overcome some of the major obstacles to both effective communication and management improvement. In addition most of the points made above with regard to effective change-agent behaviour also apply to managers.

Even given the preceding advice, there are a number of dilemma which will still face the person responsible for co-ordinating change in a large organization. A partial listing of these might include the following questions:

a How can I get on with the project while collecting all the necessary information about the individuals involved? (Partially answered through effective problem identification.)

b How can I possibly incorporate and act on all of the information I have about individuals? (Partially answered by ensuring that the individual understands that improvement is his responsibility and by developing internal managers as change agents.)

c Is it possible to customize a program to meet individual needs while at the same time maintaining the required degree of control, consistency and continuity? (Depends to a large extent upon flexible senior managers.)

These are difficult questions and the answers to all three rest on the timing of the project, the effectiveness of the early diagnosis and planning, and the degree of assignment of responsibility and delegation of authority by senior managers, plus the extent to which they are willing to assist in the process and to reward managers for taking initiatives and for effective management.

A FRAMEWORK FOR MANAGEMENT IMPROVEMENT

The preceding sections have given some indication of the complexity of managerial and organizational change and have identified some of the problems most

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3 The selection of able change agents is very important and is discussed in *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

frequently encountered in implementing management improvement programs. In this section, the knowledge contained in the previous sections is applied to outline a framework of potential activities which should provide a flexible reference for the design and implementation of a management improvement program. While these activities are probably most effective if they follow a sequential pattern, it must be recognized that the needs and capabilities of a municipality and its managers are highly variable as is the extent of the various programs which might be introduced.

Before beginning the description of the process of management improvement, it is important to say a word about the end result which can be expected. As indicated throughout the first two parts of the paper both individuals and organizations are highly variable. An organization improvement or a management improvement program is not going to drastically change either individuals or organizations although it can have a significant impact upon the management approach of individuals and upon the operation of organizations.

The end result of a change program will not be fully predictable or necessarily as systematic as might be desired. In fact, the management processes which result will almost certainly vary greatly in different departments and even divisions. The new processes must be adapted to meet the needs of both organizations and individuals. The main requirement is the ability of those processes to serve the adaptive needs of the organization in the future.

The importance of the following activities in implementing a major management improvement program was confirmed by the LGMP experience.[4] These activities appear to be reasonably typical of an approach which would prove to be relevant to most municipalities.

Consultant help is probably advisable, although not mandatory and details on selecting and working with consultants are contained in other publications.

Activity 1 Establish a base of support for the program.

Activity 2 Obtain a profile of where the municipality is now.

Activity 3 Outline what might be the desired characteristics of an effective corporate operation for this particular municipality.

Activity 4 Determine areas which require improvement through comprehensive problem identification.

Activity 5 Make a decision whether or not to implement a program and select a program director.

Activity 6 Select and train internal facilitators.

Activity 7 Establish and/or confirm the role to be played by a senior administrative team and possibly a program task group.

Activity 8 Clarify the purpose, roles, responsibility and authority of the municipal corporation and each of its elements, if this is a problem area.

Activity 9 Establish Task Group 1 – To investigate and develop common administrative systems, unless these are already in place.

Activity 10 Develop basic management training workshops, when the lack of management skills has been identified as a problem.

Activity 11 Carry out administrative reviews of goals or key result areas and develop a problem identification process at all levels to establish problem solving objectives.

Activity 12 Carry out joint discussion of issues requiring definition and/or guidance at the council/administrative interface.

Activity 13 Establish Task Group 2 – To review and develop a program to improve the handling and use of management information.

Activity 14 Review corporate key result areas and estabish broad objectives to guide future administrative efforts.

Activity 15 Establish a comprehensive periodic review process involving committee team and individual reviews at all relavant management levels.

Activity 16 Establish Task Group 3 – To examine and make recommendations for revisions in the financial management system (budget system and financial information system).

Activity 17 Develop a system which will contribute to an ongoing adaptive capacity on the part of the municipality.

Before enlarging upon each of these activities, it is important to note that, taken as a whole, a comprehensive program of management improvement might well result in individual changes in the management approach of every councillor and every administrator in the municipality. Thus, the previously discussed characteristics of individual change will apply. This means that the required changes in behaviour will take place over a long period of time. Many if not most managers will feel threatened at one time or another, most will need personal feedback and reassurance, and all possible positive stimulants should be incorporated into the program where they will serve the most purpose.

Initiators of the program will be in control of the process at the outset and in addition to longer term objectives should be able to select appropriate activities and to set some short term objectives that will result in fairly rapid pay-offs in increased organizational and individual efficiency and effectiveness. If other councillors and administrators can be helped to solve some urgent management problems, a good deal of positive drive should be generated for further efforts to improve management. Regardless of the type and extent of the prog-

4 See *The LGMP Experience: Guidelines for Organizational Change in Local Government* and *The LGMP Experience: Phase I.*

ram the first activity will probably be the establishment of a solid base of support among as many councillors and administrators as possible.

Activity 1 Establish a Solid Base of Support

The establishment of a solid base of support for the program fundamentally involves the employment of all potential motivational influences and the integration of efforts directed toward management improvement. Efforts to motivate and the integration of the processes introduced will need to continue throughout the program and their effectiveness will depend to a large extent upon the program director, some committed top managers and the internal and external facilitators.

A number of driving or motivating forces can be brought into play at the beginning and during the program and one or more of these should be influential in attaining the support of most municipal staff. It is probably useful to at least identify these motivational possibilities so program initiators can consider them for potential application to their specific municipality. The potential motivators for such a program can include:

a the development of a model of an effective and appropriate corporate operation which can be contrasted to the current operation, and the discussion among administrators of the best potential ways of approaching that model operation;

b the creation of awareness in subordinates that senior managers expect them to become involved in the program, to innovate, to conduct problem identification workshops, to set problem solving objectives, and to carry out a review process;

c the setting of an example in all of the above areas by higher-level managers, e.g. carrying out the activities described in 'b' and encouraging frank input and innovation on the part of subordinates, plus the availability of senior managers as consultants to the people reporting to them;

d the involvement of managers at each level in problem identification at the next highest level, with the knowledge that the problems they identify will be examined for potential solutions by the appropriate managers at higher levels or in other departments;

e the control by managers over the type of innovation and the speed of innovation within their own units, given that they will be expected to improve performance in their areas of responsibility to keep pace with the other units in similar circumstances;

f increased confidence resulting from support and positive feedback for innovation from senior managers and change agents, plus constructive feedback to help managers to gradually change their approach to management as they adopt new approaches and techniques;

g improved management control and better indicators of performance, on the part of managers, through the development of their own objectives, their own measures of performance, and self and team evaluations of the effectiveness and efficiency of the management processes in their areas of responsibility;

h the use of feedback to promote individuals' levels of awareness that personal managerial effectiveness is improving - the manager knows he is doing a better job;

i the development of performance appraisal systems and rewards for effective performance on the job. When rewards and incentives are carefully developed they can have a motivational effect but any work with financial incentives needs to be very carefully considered.

A comprehensive process for introducing management improvement, should contribute to managerial motivation in most local governments. Less inclusive programs may provide temporary stimulants by producing changes in one or more aspects of management but the innovators may become quite discouraged when they find that the remainder of the system does not respond positively to their initiatives.

The LGMP experience indicates that the perceived need for management improvement must originate from within the municipality, although, of course, environmental factors such as pressure from other levels of government, the press, or the public can be stimulants. Some prerequisites for the introduction of a change program are discussed in Appendix I and in other LGMP publications.[5] The main requirements for administrative support are fulfilled if a large proportion of senior administrators develop a serious desire for management improvement, appoint an influential program director, and agree that the program which is adopted will be designed and implemented by the municipal administrators and councillors themselves.

To help to establish commitment to a program, some independent input and expertise in management improvement techniques is helpful and probably necessary, through the selection of an able external advisor or consultant in the initial states. The prime reason why an external advisor is required is not for his ability to introduce a canned management improvement program, but rather because he:

a can help managers within the organization to better analyze and understand their own strengths and weaknesses;

b can suggest some alternative techniques for introducing management and organizational change which may fit with the needs and abilities of a larger number of administrators;

c can help to create an awareness by the managers involved of the characteristics of individual and organizational change; and

d can act as an independent chairman and advisor to provide the organization and managers with some

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5 *The LGMP Experience: Phase I* and *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

potential to resolve conflict and integrate the efforts of administrators and councillors in cases where there is not a high degree of trust and commonality of motivation.

Unless the initiators of the program and the external advisor can establish a strong team of committed administrators at the outset, the program has little potential for success. Note that the commitment in this case is a commitment to make an effort to promote management improvement, and not to a particular improvement program. The LGMP staff are strongly convinced that 'the program' must be largely developed and supported by administrators and councillors within the municipality albeit with consultant guidance, and that the ongoing development of the program will take place over the whole period of implementation.

Thus, the required base of support really consists of a group of influential administrators and councillors who believe that management improvement is possible and desirable and who are willing to devote their time and energies to the process over a long period. As the program evolves, of course, they will need to encourage similar commitment and involvement on the part of managers at other levels in the organization, probably through the employment of the techniques and incentives already discussed.

Activity 2 Obtain A Profile of the Current Municipal Operation

Several reasons why it is desirable to obtain a 'snapshot' of the operation of a municipality at the outset of a major management improvement program follow.

a An awareness of the current mode of operation can be created in this way, often bringing to light many things which both councillors and administrators tend to overlook.

b A knowledge of the current operation and of the type of operation which is desired provides the municipal staff and change agent (if applicable) with the information required to design the management improvement program. This knowledge will include an assessment of the capabilities of the organization and its managers to change their skills, motives, etc.

c Results of a program cannot be measured or the progress of the program monitored without a frame of reference. The initial stage of the municipality supplies this type of reference so the managers and change agent can determine what is happening as a result of the changes they introduce.

d A change in one of the interfaces described in the section on organizational change may result in unanticipated changes in other interfaces which can be identified as a result of this available frame of reference. Unless the processes and interactions in the municipal organization are monitored, these unanticipated results can create new problems which may grow to serious proportions. A case where a new information system was initiated with minimal input from other departments was mentioned earlier. Because line managers viewed the system with some suspicion they fed in inaccurate data, which meant that the system was, at best, of very little use.

e Attitudes of managers and employees toward a program, toward top management, and toward their jobs will influence their propensity to change and their willingness to co-operate and become involved in a management improvement program. Relatively simple questionnaires appropriately administered, can provide valuable information, using the initial attitudes of the people involved as a base (of course, questionnaires which are traceable to individuals are unlikely to result in accurate data). When such questionnaire results are handled very carefully, they can be used in helping to track and understand changes, uncover or confirm problem areas and in planning and adapting the program to meet the needs identified.

f In particular, attitudes which exist between superiors and subordinates will be very influential in determining the potential success of problem identification, appraisal interviews, etc. Attitudes toward unions and the interface between unions and management can also be very important and can vary greatly in different situations. Unless the facilitator and senior managers understand the general state of such attitudes they will not be in a position to bring about needed change.

g The processes through which managers interact are the key to an understanding of the organization. They indicate how meaningful the organizational structure is, what degree of co-operation exists, how effective support services are, and to what degree appropriately designed common systems (filing, data storage and retrieval, etc.) exist. The budget and personnel appraisal, for example, are two very meaningful processes that may change considerably as the result of a management improvement program.

h Information can be obtained, although the LGMP found it to be rather inaccurate, regarding the mutual perceptions of various organizational units in regard to the purpose, roles, etc. of other units. This knowledge can help a facilitator to recognize conflicts and misperceptions within the organization and to plan conflict resolution interventions to resolve such problems.

i Relationships with other municipalities and with boards and commissions may influence the strategic planning and even the corporate planning capability of a municipality.

Activity 3 Outline What Might be the Characteristics of an Effective Corporate Operation for This Particular Municipality

Prior to the initiation of a management improvement program the processes and structures of an 'ideal' state can be described. This state represents a goal for the management improvement program. As such, it would offer a contrast to the snap shot obtained in Activity 2. The difference between the operation of the present and the ideal systems would represent objectives for the

management improvement program and would help to improve the effectiveness of problem identification.

Briefly an effective corporate management system is one in which:

a the purpose and roles of the municipality are clearly defined;

b municipal goals and broad objectives have been established to guide administrative efforts;

c problem identification mechanisms exist at each management level, enabling everyone to participate in management without great risk to either the individual or the organization;

d roles and responsibilities are clearly defined within the administration and key result areas and problem solving objectives, at least, have been generated by all levels;

e there are appropriate, common (not necessarily centralized) administrative operating systems, including filing systems, data retrieval systems, communication systems, etc., so useful information is available to all departments;

f each manager is clear regarding his responsibility, the limits of his authority, and his goals and problem solving objectives. Authority has been delegated to the lowest level and the activities of all managers contribute to corporate goal achievement;

g there are administrative teams at each level of management including the top level, with the top level acting as a corporate advisory to council;

h there are measures of performance and an effective review process for individual managers, for programs, for committees and for management teams;

i there is some type of integrative mechanism (an individual such as a CAO, or a committee, such as an executive committee) at both the administrative level and the elected level which will ensure that broad corporate problems are considered and acted upon.

Activity 4 Determine Areas That Require Management Improvement

From the LGMP experience this is perhaps the most important stage of a management improvement program. From the varied viewpoints of improving motivation, effective learning and obtaining a full understanding of what is going on in an organization, the involvement of every organizational member in problem identification is important.

In the initial stages, problem identification can begin at the council/administration interface, and the top administrative levels. The organizational profile (Activity 2) and the 'ideal' model of operation (Activity 3) can be useful in providing a comparison and also in providing a basis for thinking about areas where management improvement is possible and is most needed. The proglem identification process is not dependent upon having either the profile or the model, however. Administrators and councillors need merely to be asked to think about the purpose of their jobs and the roles they should be playing. Then they can ask themselves a series of questions:

a What is preventing me from doing the most effective possible job?

b What can I do to ensure that I am performing that job most effectively?

c What can other people in this organization do that would help me to perform my job more effectively?

Since trust and frankness are important in problem identification the organizational climate must be suitable. Perhaps the most important contribution to organizational climate is a quite definite and apparent interest by senior managers in management improvement and the setting of an example of frank problem identification at the top level. In addition, however, managers throughout the municipality need to be assured that they can and should speak frankly and that action will be taken by higher level managers to deal with the problems that are identified.

The problems which are identified at each management level can serve to guide the management improvement program. Particularly where problem identification workshops[6] are held by a manager with the people reporting directly to him, the discussion will usually be quite comprehensive and will point out constraints impinging upon a particular unit from outside the organization, from other units, or from a higher level in the organization.

When managers identify problems in this way, they are concerned with factors that are most urgent and apparent to them. It is helpful to expose them to some type of model of an effective municipal operation (Activity 3) since this will enable them to see weaknesses in their operation they might not otherwise think about.

Since a management improvement program should deal with urgent problem areas first, the actual program is most effective if it is designed during and following this problem identification period. Subsequent problem identification workshops will need to be scheduled for other management levels after the upper levels of management, council and top level administrators have begun to solve the problems identified at their levels.

Effective problem identification lays the base for self examination and an improved understanding of current operations. It also encourages frankness, communication, co-operation, innovation and probably effort. As long as constructive criticism, containing some potential solutions to the problems identified, is generated by problem identification, a good base for corrective action is obtained. It should be noted that problem identification should become a continuing process, probably as part of a review process.

During the LGMP experience, some rather common major problem areas were encountered in local government. Some thoughts about methods of dealing with those issues are discussed in the following suggested

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6 Problem identification is discussed in some detail in the LGMP paper *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

program activities. If these problem areas do not seem to exist or are of low concern in a particular municipality the management improvement program will take a different direction than it would if that problem area was present.

Activity 5 Decide Whether or Not to Implement a Program and Select a Program Director

Before making a final decision to become involved in a major management improvement program the extent of support and the degree of perceived need for the program needs to be assessed. Neither the need for the program nor its required scope is really known until problem identification has been carried out. It may be wise to delay the appointment of internal project staff to this point. The steps so far described can be initiated by a chief administrator, council or preferably by a number of administrators and councillors who can generate sufficient enthusiasm in the remainder of council and top administrators to carry them through a problem identification process.

To effectively control priority setting among problem areas, to guide the program and to keep the program in the forefront, an active influential and able program director will be required. While he may work closely with an external advisor, the program director should be an administrator or councillor so the program is designed, controlled and operated from within. Unless municipal staff take responsibility for the program's success at this point and also for guiding the program, very little will probably be accomplished.[7]

Activity 6 Select and Train Internal Facilitators

In addition to the program director who must be a councillor, a senior administrator, or a highly respected middle-level administrator, there will be a need for at least one internal facilitator. The role of the internal facilitator was discussed briefly in the preceding section of this paper and is covered in more detain in *The LGMP Experience: Guidelines for Organizational Change in Local Government*. This is an extremely important role because, as stressed in the section on individual change, managers undergoing change need continuous and long term reminders, feedback and reinforcement. Much of that feedback most appropriately will come from their direct supervisor, but internal facilitators can be trained both in techniques, e.g. problem identification or objective setting processes, and in providing reinforcing and non threatening constructive feedback to managers.

It is recommended that existing middle managers be selected as internal facilitators. Their regular jobs can be relieved to some extent, but they can continue to play a regular role in the municipality in addition to the training or facilitating role.

It is very important that the program responsibilities of a facilitator and his regular job responsibilities are clearly differentiated. Preferably, he would report to the program director for both responsibilities, however, that will not always be possible. Where there is a chief administrative officer it is probably preferable that he be the program director and the facilitator will report to him. Additional facilitators, e.g. from large departments, can be trained and advised by the central primary facilitator or trainer.

Activity 7 Establish a Senior Administrative Team and Program Task Group

The LGMP experience indicated clearly that, even in those municipalities where there was a CAO, a senior administrative team composed of department heads and possibly including some major branch or division heads (depending upon structure and terminology) could play a very important integrative, conflict resolving, problem identifying and decision making function. There was a definite need for the role and goals and objectives of such a team to be spelled out and one of those roles would certainly be the co-ordination, spearheading and encouraging of any major management improvement program. Detailed discussions relating to senior administrative teams are contained in other LGMP publications.[8]

Where an intensive management improvement project is being implemented, a program task group consisting of department heads and councillors is probably a good idea. Such a task group can guide the program and would have the entire resources of the municipality at its call.

Activity 8 Clarify the Purpose, Role, Responsibility and Authority of the Municipal Corporation and Its Elements

In the LGMP staff experience with both public and private organizations, there was almost always some need to redefine purpose and roles, if only because incumbent councillors and, frequently, administrators may have never really thought about the purpose and roles of the municipal organization to any extent.[9] A workshop at the council and senior administrative level and then a combined workshop, to delineate council and administrative roles and to develop a basis for improved co-ordination seems to be helpful. These workshops supply a frame of reference for the determination of key result areas and broad objectives. Confusion, overlap and, often frustration, will persist without this type of role clarification. Each councillor, each committee and each administrator has a need for a known base or datum composed of this type of information to guide his or their efforts so that those efforts can be effectively co-ordinated with the work of other managers.

If particular problems have been identified in the areas of council/administrative relationships or in the area of

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7 This outline does not contain a great deal of detail regarding the desired characteristics, the role or the required knowledge of a program director. These will all vary with the extent and complexity of the program and are discussed in some detail as they might apply to a major program in the LGMP paper *Corporate Management: Its Role in Local Government*.

8 See *The LGMP Experience: Phase II* and *Phase III* and *The LGMP Experience: Guidelines for Organizational Change in Local Government*.

9 *The LGMP Experience: Phases II* and *III* discuss the redefining of purposes and roles in some detail, as does *Corporate Management: Its Role in Local Government*.

overlapping or confused responsibility, these can be dealt with in role, purpose, and responsibility clarification workshops.

Activity 9 Establish Task Group 1 – To Develop Common Communication Systems

If communication problems that seem to result from inadequate filing, coding, storage, retrieval or communication systems are identified early in the program, and if there is duplication in files, data and data processing equipment, a specific task group could be established to deal with these problems. The LGMP found few if any common filing systems across the whole municipality; sometimes they even varied within departments. Unquestionably the efficiency of the municipal organization suffered because many man hours were lost searching for information or in duplicating information already available in other departments. While the LGMP staff feel centralized filing and communication systems are probably not wise in most municipalities, common codes have the potential to contribute a good deal to management effectiveness.

A task group composed of middle managers could investigate problems of this type and make recommendations to a senior administrative team or CAO and then to council if necessary. Middle management experience on a task group with an essentially co-ordinative and integrative function, would also be a valuable form of management development for the managers involved.

Activity 10 Develop Management Training Workshops for Basic Management Skills

One area which should be carefully probed in problem identification is the extent to which managers within the corporation feel comfortable with basic managerial roles. If this area does not seem to be an important one for a particular municipality then this activity can be disregarded.

The LGMP found that many local government managers were primarily technical specialists who had never been given any comprehensive management training. This meant, in some cases, that they had not really thought about the full scope of a manager's functions. When such managers set management improvement or problem solving objectives, they tended to concentrate upon outputs, in the form of products or measureable services, rather than effective processes for co-ordination, effective systems of communication, delegation, etc.

Some possible modules for such a training program are contained in *The LGMP Experience: Guidelines for Organizational Change in Local Government.* Each senior manager can, of course, go a long way toward the effective training of junior managers by involving them in problem identification and decision making and by delegating authority and assigning responsibility to them. Workshops exploring the full scope of a manager's job, with or without consultant help, can be useful.

Activity 11 Carry out Administrative Reviews of Goals, Key Result Areas and Problem Identification Processes

The LGMP staff feel that every manager should spend some time thinking about the general things he needs to accomplish whether these are called functions, goals or key result areas. The terms are not critical. What managers need to do to establish and maintain an effective operation is important. Some thought about key result areas will often suggest objectives to improve the manager's operation that would not otherwise occur to him. The natural tendency in setting goals and objectives is to concentrate upon output, but only first level managers have a direct influence upon output. Higher level managers are concerned with providing the means for the effective operation of people involved with output and, therefore, with methods, with resource allocation, with co-ordination and mutual support, with accurate information, etc.

Most managers have a number of routine responsibilities and functions that can be examined for potential change or improvement but that probably will not benefit greatly from an objective setting process. The LGMP experience indicated, however, that all programs should have objectives, so the value of the program can be analyzed, whether it is an inter-department or intra-departmental program. The LGMP experience also indicated that committees, task groups and teams need definite operating policies and the first two, in particular, need goals and objectives if they are to function efficiently. Individual managers, on the other hand, need objectives to aid in solving management problems or in initiating and establishing new programs. Objectives also play an important role in the effective management of time, establishing priorities, and in acting as a reminder to the manager that certain things need to be accomplished. It should be kept in mind, however, that managers probably do not require long laundry lists of objectives to help them to control their routine activities.

There are several reasons why program objectives are important.

a The results of a program need to be measureable so that the value of the program to the municipality can be assessed, and it can be considered relative to other programs when priorities and resource allocation are determined.

b Objectives can indicate when a program is not performing effectively and needs to be dropped, revised or reviewed.

c Program objectives provide managers and employees within the program with direction and guidance.

d Objectives facilitate the evaluation of a program by senior managers who are considering alternative means of accomplishing the same goals and objectives.

Activity 12 Carry Out Joint Discussions of Issues Requiring Better Definition at the Council/Administrative Interface

Even though purposes, roles and responsibilities have been effectively defined for both administrators and council, there is a need for an ongoing problem identification and problem solving interaction at this important interface. After administrators have set objectives for programs and have attempted to resolve the problems they have identified, they will probably discover a number of areas where council guidance is required. The LGMP found that such issues required a good deal of discussion that could not be handled as a part of the normal council/administrative relationship. The standard council meeting, for example, did not seem to be a good forum for discussion. On the other hand, special council/administrative workshops could perform a useful function. Not only could administrative concern, questions, doubts and needs be considered at such workshops, but the meetings also provided a forum for the change of opinions and the attainment of a better understanding between councillors and administrators. In the LGMP experience, it seemed that councillors found such workshops extremely informative and emerged with a much better comprehension of the problems facd by their administrators.[10]

Activity 13 Establish Task Group 2 – To Examine and Improve Information Systems

In the LGMP experience, as goals and objectives were established throughout the administration, accurate and timely information became increasingly important. (The LGMP definition of information is very broad and the subject is covered in some detail in the LGMP paper *Improving Management Performance: The Role of Management Information*).

A second middle management task group can provide needed assistance to all managers and to the data processing department or division in particular, by obtaining input on information needs and problems from all councillors and administrators. From this input the task group would be able to make recommendations for improving the use and handling of information. If this area presents no problem, of course, this activity would be unnecessary.

Activity 14 Review Corporate Key Result Areas and Establish Broad Objectives

When administrators have attained sufficient expertise in using goal and objectives and council/administration relationships have been improved through joint problem identification and/or problem solving workshops, it should be possible to establish a useful set of corporate goals and objectives. We stress 'useful' because most of the corporate goals and objectives encountered by the LGMP staff in their research for examples, were so general that they were of little potential use.

A number of suggestions for potential techniques of establishing corporate goals and objectives are contained in the LGMP publication *Corporate Management: Its Role in Local Government*. Since any discussion of the topic would need to be long and repetitive the reader is referred to that source.

Activity 15 Establish a Comprehensive, Ongoing and Periodic Review Process Involving Committee, Team and Individual Reviews at All Relevant Management Levels

To provide ongoing stimulation for management improvement, a review and revision process is crucial. Managers and teams of managers (e.g. the senior administrative team) need to review the extent to which objectives are being accomplished in an ongoing way, to enable them to initiate immediate corrective action if any objectives are behind schedule or need revision. Such reviews are also needed for appropriate planning, priority setting and motivation through reinforcement.

In addition to such ongoing reviews, however, periodic reviews of all objectives and operating policies are necessary for committees and teams. One-to-one superior/subordinate reviews should also be scheduled periodically for management development and management improvement purposes. These reviews are extremely important and need to be handled effectively. They should be based on learning and reinforcement principles and problem identification, as well as on an evaluation of the individual's progress toward accomplishing his objectives, programs, etc. They also need to involve a review of overall progress in management improvement - 'Is the actual operation approaching the ideal operation?'.[11]

By beginning these reviews at the lower management level, problems identified at those levels can be considered for potential solutions during similar discussions at higher levels. Problems with support services or with overlaps in responsibilities usually need to be resolved at higher management levels.

Activity 16 Establish Task Group 3 – To Examine the Budgeting and Financial Information Systems

Another area which will require revision in most municipalities, is that of budgeting and financial information. Once programs are established and goals and objectives have been determined, budgets can be simplified and put in program and objective formats with performance measures identified where desired. In addition, managers operating under program and individual objectives will be better able to identify their information needs. At this point a third middle management task group might be useful to obtain an overview of needs and to make recommendations for changes to the financial management system. As a re-

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10 Some thoughts about potential methods of improving the council/administrative interface are contained in *Corporate Management: Its Role in Local Government.*

11 While goal and objective setting is discussed in several LGMP papers, the best coverage is probably contained in *The LGMP Experience: Guidelines for Organizational Change in Local Government.*

sult, a system can be designed to meet the needs of both administrators and councillors. This is not possible for even the most able finance department working in isolation.

Activity 17 Develop a System Which Will Contribute to an Ongoing Adaptive Capacity on the Part of the Municipality

By nature, an organization that encourages innovation and is operating on a problem identification, objective setting and review system, should be able to adapt. To reinforce that potential the LGMP staff feel that a special structure consisting of an ongoing management improvement program director with facilitators or coordinators in large departments is probably a good idea. A major function of this program director would be the obtaining of new ideas from outside the municipality and the ongoing encouragement of innovation, objective setting and program reviews, within the municipality. This adaptive function is described in more detail in *The LGMP Experience, Phase III.*

SUMMARY

In this paper an attempt has been made to focus on the LGMP experience with individual and organizational change. Some conclusions have been drawn about the way in which managers change and about some of the important variables involved in organizational change.

In the final part of this paper some of the problems areas encountered by the LGMP have been outlined and some suggestions for dealing with those problems have been included. Finally, a potential program for municipal management improvement, based on the LGMP experience, is outlined.

Appendices

Appendix I
Some Conclusions From a Comprehensive Project

REQUIRED FACTORS FOR SUCCESSFUL CHANGE

Before any program of organizational change is attempted, the initiators should ensure that they and their organizations are prepared for what lies ahead. From and LGMP viewpoint, the requirements for a successful major change must include the following preconditions.

1 pressure on senior administrators and/or councillors, creating a significant need for change;

2 a clear identification of the major problems and an awareness of those problems by both top administrators and councillors;

3 a knowledge of the probable duration of the change program and a commitment to provide the necessary resources;

4 a well thought-out system of rewards for improvements in managerial effectiveness;

5 the help of an effective external change agent who can lend both advice and prestigious support to the program; and

6 an understanding of and commitment, by a large proportion of top administrators, to the program, and a council which must at least be aware of and supportive of the general concept.

Though many of the points raise issues involving council involvement, it is important to note that most of the comments are applicable to private sector organizations. There is a large body of evidence to indicate that any change program will fail if the organizational climate is not conducive to the change being introduced.[1] To further enlarge upon the requirements for success organizational change, the LGMP staff have identified twelve categories which appear to have a significant effect upon the success of change in local government.

1 There must be some internal or external pressure upon the executive (council) or top administrative levels to make improvements in their operation. As well, they must be purposefully searching for solutions.

This category has several facets when applied to the municipal setting. External pressure can be considered in two senses. The first is the pressure exerted by the public or senior levels of government on elected officials to improve the efficiency and effectiveness of the delivery of local government services. The second type of pressure is that exerted by the executive on members of the administration. Combined with these factors is the desire of the professional municipal administrators to do a good job, to develop their own management capability, to be seen as progressive, and to be associated with an operation that uses the latest techniques and technology.

The LGMP experience has confirmed that interest and enthusiasm for management improvement is needed from both elected officials and top administrators. This experience also indicates that it is imperative that councillors become knowledgeable about the process and become involved as soon as practicable. Municipal administrators look to council for direction in both a formal and informal sense. There is no doubt that the involvement and interest of elected officials increases the priority of the program in the eyes of the administration. Many administrators in the Project Municipalities seemed to base their own involvement on the apparent interest of council in the process.

Examples of external pressure in Project Municipalities existed in both the Regional Municipality of Niagara and in the City of Ottawa. A Provincially sponsored examination of the viability of the Region of Niagara was commissioned while the LGMP was in progress. This played a definite role in increasing the interest of many administrators in management improvement although some others had solidly backed the Project before the commission was appointed.

The City of Ottawa was under pressure by special interest groups. Both council and administration hoped that the LGMP could help them to find some way of coping with the conflicting and sometimes narrowly focused demands of those groups.

The motive for the involvement of the City of London in the Project, on the other hand, was at least partially the desire of certain members of the Board of Control for corporate goals and objectives. Unfortunately, when the Board of Control was briefed regarding the Project Directors' feelings that top administrators should be thoroughly familiar with goals and objectives before corporate goal setting was attempted, the Board of Control's enthusiasm waned to some extent. Implementation within the administration lagged and the Council's needs were not met within the life span of the LGMP.

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1 *The LGMP Experience: Phase 1*, enlarges upon ten prerequisites for the introduction of effective change processes and attempts to apply those prerequisites to a municipal context.

2 The change must be introduced at the top administrative level and must have both the backing and active involvement of most (if not all) of the top administrators.

Municipal councils, particularly in large municipalities, are highly dependent upon the advice, management knowledge, and capability of their top administrators. Administrators also provide the continuity for long-term municipal programs which is not possible at the council level.

Only with the top administrators working together and receiving advice from subordinate managers can management problem areas in a municipality be adequately defined. Once problems have been identified, it is the senior administration which is able to influence junior managers to institute the necessary changes.

Thus, a program involving major changes must be initiated at the top administrative level if there is to be any chance of its success. As well, all top administrators must support the program. If some do not, mutual support services will not be revised and improved and problem solving efforts involving more general municipal problems will have very limited effectiveness.

In the City of Ottawa, the LGMP was involved with only three of the six City departments. The three participating departments soon found that they could make only marginal gains in management improvement without the involvement of support departments and council. This resulted in a good deal of frustration. A number of major problems in co-ordination were apparent at the inter-departmental level resulting in confusion and misunderstanding at the interface between council and administration. Attempts by the Mayor to solve problems of co-ordination, co-operation and communication through the dismissal of individual managers and through restructuring, led to further fear, distrust, confusion and frustration on the part of senior managers.

3 If the executive level is hurting, the intervention must be translated to meet their needs as soon as the top administrators are secure with the necessary new concepts.

As mentioned above, knowledge of new managerial processes and procedures at the top administrative level in large municipalities is a necessity before changes are introduced at the council level, that is unless the change involves reorganization of the elected body or changes in the electoral process. Knowledgeable senior administrators can provide continuity and can aid council in dealing with new management concepts. Thus, senior administrators, when familiar with the process and procedures, can act as change agents with their peers, subordinates and with council. If some change is desired at the council level or at the council/administration interface, however, it is very important that councillors become involved in decisions regarding the intervention and in implementing the changes themselves as soon as it is practicable.

In both Ottawa and London councillors saw a need for corporate management. In Ottawa only half of the top administration was involved and knowledgeable about the Project and progress with Council was adversely affected, as mentioned above. In London, the demands of Board of Control could not be met rapidly enough due to a massive reorganization of the city administration. Thus, support for the LGMP wavered at the council level. In neither case was the LGMP able to meet the needs of council rapidly enough and the Project's effectiveness suffered as a result.

In St. Catharines, involvement of council went much more smoothly. Once senior administrators felt sufficiently prepared (eighteen months after the Project's commencement), a series of half-hour presentations was held to acquaint council with the various departmental roles, goals and problem areas requiring council assistance and guidance. These presentations culminated in a highly successful day and a half joint council-administration problem solving workshop. Since that meeting, the senior administrators have successfully used the concepts in the orientation of new councillors and in a subsequent joint problem solving workshop.

4 The introduction of any major program of organizational change requires the involvement of both internal and external change agents.

No matter how devoted a senior manager is to the aims of a change process or how good his intentions of supporting and participating in its activities, he will probably be so involved with the intricacies of his own job that the change process suffers.

An internal change agent is necessary to provide continuity, to keep reminding managers to use the new processes, to provide them with much needed support as they incorporate the new activities, and to integrate and co-ordinate where necessary. The internal change agent should report to the most influential administrator in the municipality, (the chief administrator if there is one).

For a program involving major changes to be successful, it is also necessary to have an outside advisor to provide training and advice and to assist with conflict resolution in order to facilitate the change. An outside party will be credited with greater objectivity by members of the organization. Any attempt by an individual from one particular department to 'spearhead' the process will undoubtedly meet with resistance or hostility from other departments.

In addition to the external consultant role of the Queen's Team, the LGMP utilized an internal Project Leader' who worked in conjunction with Queen's staff. Three out of the four Project Leaders were members of particular departments and had some difficulty convincing managers that their Project activities were meant to benefit all departments and the municipality as a whole. The Queen's staff were able to help the internal consultant to establish his identify as an unbiased internal trainer and consultant.

Another advantage of the 'third party' status of the Queen's Team was the broader perspective they were able to contribute because they were less involved with the situation in each municipality. While it was up to the

Project Leader to identify the specific needs of managers in each municipality, the Queen's Team was better able to recognize biases on the part of individual managers and to respond with a problem solving approach. This meant that broader issues confronting managers at each level were identified, analyzed and responded to, in a group setting. With Project staff acting as moderators, critical comments were channelled in such a way that managers were able to react positively and objectively. It is extremely doubtful that a moderator from within the municipality would have been regarded with the necessary detachment and consequently discussion would not have been as frank or meaningful.

5 The internal change agent, the external change agent, and at least a few influential managers in the municipality should be fully aware of the various alternatives for management improvement.

Various managers in each municipality may feel that they know of methods of management improvement which appear to be better suited to their needs than the type of change being initiated. Unless the initiators are able to answer questions and adapt the intervention effectively to satisfy such managers, their co-operation may be hard to obtain.

Any major management change impacts upon managers and an organization in many different ways. It is very important that the change agents are aware of the full implication of the intervention that they are introducing. The internal and external advisors should be aware of spin-off effects that may result from any management change and of the strong similarities between the impacts of different types of organizational change. The objectives of a program of management improvement may be achieved through a number of alternative techniques. The initiator of a change program should be aware of the various options open to him in order that managers may choose the most viable intervention alternative.

Previous initiatives in management improvement were discussed during the LGMP orientation workshops. City officials were given an opportunity to make suggestions regarding the most suitable approach to organizational change for their particular situation.

6 The program of organizational change must be designed by the above individuals to meet the specific needs of the municipality and the managers within that municipality.

This requirement is important for three major reasons.

a Each municipality has somewhat different problem areas, therefore an intervention must be designed to meet the needs of the managers involved. This means either satisfying the perceived needs of managers or changing their perceptions to accord with the potential of an available management improvement program. For example, London Council and administrators expressed an interest in programmed budgeting and the LGMP process was adapted to some extent, in an attempt to meet that need. At the same time Council was urged to delay the development of corporate goals and objectives until administrators were more familiar with the goal and objective setting process. Eventually London's Chief Administrator and the internal Project Director developed a comprehensive approach to management change to meet the specific needs of Council.

b A successful intervention requires the involvement and support of all managers at each step. Involving them in the design of the intervention and in suggesting techniques for management improvement is probably the best way to confirm that they are in agreement with the approach and to obtain their support. In Ottawa, all top managers were not involved and support services could not be improved as a result. Thus, participating managers were eventually frustrated in their efforts. In other cities, wherever a manager did not become actively involved, other managers within his area of responsibility were usually hesitant to become involved in the process.

c The introduction of any new process of management involves some additional effort at the outset. It eventually should assist managers to do their jobs more effectively, but may be time consuming and frustrating at first. Thus, it is very important that top managers understand and become involved in planning the process. The LGMP staff found that some department heads were not prepared to make the required initial effort or to encourage the efforts of their staff. Thus, the Project either lagged or was a complete failure in those departments.

7 One aspect of the change must be concerned with the provision of a common direction for management efforts within the municipality. The degree of integration necessary will depend upon the amount of co-ordination and co-operation required between departments, and between smaller units within departments.

The LGMP staff are fully convinced that any effective program of change must have definitive goals and objectives of its own. In addition, since the program affects many managers within the municipality it is necessary that their inputs to the process are integrated and inter-related where necessary. If each department does not develop the necessary inter-related objectives and programs, the chances for the success of the overall program are very limited. Experiences during the LGMP have convinced the staff involved that the development of clear and inter-related goals and objectives by managers at all levels is fundamental to successful management in complex areas - particularly where co-ordinated processes and procedures are required.

Thus, under the LGMP framework, a co-ordinated senior management team was considered to be very important. Success in joint problem identification and decision-making at the senior management level was dependent upon the development of trust, openness and co-operation between senior managers. Co-operation and trust among upper level managers were likely to gravitate to lower levels of management.

Within the LGMP approach, each senior manager was expected to work with the managers reporting directly

to him to identify problems and design solutions to them. This type of interaction demands open lines of vertical communication as well as a commitment on the part of both the senior and junior managers to arrive at joint decisions. The resulting openness encourages junior managers to design systems to improve the functioning of the organization at their level.

Besides developing mutual co-operation, co-ordination and communication, it is also important that senior managers are open to advice and counsel from the outside agent. The experience of the LGMP would indicate that many middle and lower line managers have innovative ideas for improving the operation of the municipality but feel that their superiors would not give a fair hearing to their suggestions. Soon after the change process began the external and internal change agents began to receive information and suggestions from all quarters of the organization. These suggestions were made by the middle and lower line managers in the hope that those co-ordinating the LGMP process would be able to pass on their suggestions to top management and could exert some influence at that level.

One of the most important functions of the internal or external change agents is to promote suggestions by lower level managers in the initial stages, until both upper and middle level managers begin to see some pay-off from such ideas. The change agents must, therefore, have access to the top managers and be able to deal with them in a frank and honest way. This is also true when the implementation of improvements which the change agents suggest is involved. If top management is unwilling to listen, or regards attempts to make suggestions as a challenge to their authority, then the change process will be severely limited in its effectiveness. As quickly as possible, the change agents must help to develop ongoing processes of problem identification and problem solving by senior, middle and junior managers, which will endure without external involvement.

8 **In order that the change process can be adapted to meet the needs identified at each succeeding administrative level, problem identification must take place at each level in the administration before the individual managers at each level initiate changes. Problem identification should also form the basis for council involvement.**

For the reasons already mentioned when discussing the top administrative level, managers at each level should be involved in identifying management improvement needs at their organizational level. Junior managers are able to identify many of the real management weaknesses at their working level and are far more likely to be committed to an improvement process if they have been involved in identifying the problems and the setting of problem solving objectives.

If top management recognition and definition of problem areas is inaccurate or incomplete, as the LGMP found was frequently the case, middle and lower level managers will not be committed to the solutions recommended. In a number of cases, lower level managers defined major problems of which upper level managers were not aware. In such cases, the lower level managers should be involved in the generation of solutions, whenever possible. Here the lower level managers can apply expertise which can aid in gaining their commitment to a solution.

When councils become involved in management change programs councillors also should identify the weaknesses they perceive in the system of management and propose solutions. This type of problem identification provides a basis for communication between councillors. Councillors had considerable and valuable input to the agenda for the administration/council workshops held in Ottawa and St. Catharines.

9 **Managers should introduce changes within their jurisdictions gradually, almost experimentally. Solutions to problems should be carefully developed, with a high degree of involvement by all who might be affected. Solutions should be tested for acceptability before they are adopted completely.**

An all-inclusive management improvement process such as the LGMP has many facets. The LGMP has dealt with the restructuring of municipal departments, the development of personnel appraisal systems, the functioning of the budgetary system as well as inter and intra-departmental problem solving and other aspects of organizational change. The primary intervention technique was the setting of goals and objectives by various managerial levels and groups. However, this common thrust was only continued in each of the four Project Municipalities until such time as the pressing needs of the organization and individuals were revealed. After that, a specific program was designed to deal with the various expressed needs of the municipalities, working under the framework of the goal and objective setting system.

It was important to recognize that each organizational unit had different problems and interests. For a program such as the LGMP to be successful it must involve a degree of innovation and experimentation if significant things are to happen. What must be resisted is the idea that because a certain function or job has been done in a set pattern for any length of time, a new or perhaps unconventional way of accomplishing the activity can not be found. On the other hand, forcing solutions upon resisting managers can have negative effects upon a management improvement program. Strong top management support is one of the prerequisites for innovation to take place. The whole exercise will prove dysfunctional to the employees involved if new ideas generated from middle and lower line managers are never seriously considered by top management or if top management tries to superimpose unacceptable solutions.

It was also necessary to note that new techniques developed in one department may or may not be applicable to other departments, or to the municipality as a whole. This is another reason why it was vitally important, in the early part of the process, to establish interdepartmental communication as well as a free flow of information between managerial levels.

10 Managers at each level must be able to perceive, and eventually to confirm, clear advantages to their own operation and/or to the operation of the organization, from their involvement in the process.

Top managers and change agents must realize that managers at all levels must be confident of pay-off from a change program before they will give it full support. Of course, middle and junior managers will overtly support most programs desired by senior managers. They will not, however, contribute to the program in an optimal way unless they are truly confident that the program can be effective in improving management.

In each of the four Project Municipalities the process started at the senior management level and worked down. The initial support and enthusiasm of those senior people allowed the Project to approach the middle management level in a fairly short time. Even though the initial response of some managers was less than favourable, it was the exception when an individual's doubts about the LGMP persisted after the process was underway and working toward the solution of various long standing problems.

Even though the process was usually initiated by senior management, in many cases the support and enthusiasm of lower level managers convinced a senior official that the process was worthwhile and appreciated. As the process became better established, managers at the same level in different departments began to compare what they were doing and to offer helpful and mutually advantageous suggestions.

It is important that change activities in a municipality have a central focus. As the processes gain momentum and have positive effects in various parts of the organization, they will become the focus of discussion in both formal and informal settings. At this time the focus of the change process really switches from the internal and external advisors to the various managers who are becoming skilled in the necessary techniques. At this point, the advisors merely act as resource people, contributing when asked and keeping track of the overall progress.

One way to ensure rapid pay-off to managers at each level is to involve them in problem identification. As long as upper level management is prepared to react to the problems thus identified, pay-offs should result in short order.

11 Systematic methods must be evolved to enable internal change agents and managers to carry on the process without outside help. Problem identification and problem solving must become a way of life. Both the external and internal influences upon organizations are continuously changing and the organization must evolve as an adaptive system.

There is probably an ongoing role for a co-ordinator of management and organizational development within any large municipality. His main role would probably be to encourage and assist ongoing problem identification at various levels in the organization and between departments or other organizational units in cases where support services are involved.

New problems continuously develop in organizations and requirements for new forms of organizational change emerge accordingly. The need for change and evolution in organizations is probably endemic, both to satisfy the needs of the organization itself and the people who supply its major resource.

The City of London has developed a co-ordinator role for management and organizational development around their Project Leader position. He is responsible for co-ordinating the activities of administrative task groups which are dealing with special management problems. He also is responsible for co-ordinating the input of external management consultants and for the evolution of management development programs.

12 Major organizational change projects must avoid the temptation to commit themselves to one particular set of change processes or procedures.

During the research on management practices in North America and Europe carried out by the LGMP staff, ten major directions of new development were identified.[1] A conviction emerged that most efforts to implement organizational change had concentrated on one of these areas at a time and had tended to ignore the impact of the attempted changes upon other aspects of the organization. In addition, there was a tendency to try to apply a particular type of process or procedure for improvement, without adapting and adjusting it to meet the needs of a specific municipality. When the standard process did not succeed, the initiating managers tended to terminate the attempt and either rejected further efforts at management improvement or turned to an entirely different process, often with the same unrewarding result.

It was the strategy of the LGMP to maintain flexibility in approach in order to maximize the ability of the Project to adapt to identified problems and needs. Though the approach met with success, it did place severe technical pressure on the Project Team because of the variety of expertise required for successful intervention.

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1 These ten major areas of development are described in detail in *Developments in the Management of Local Government*, a publication of the Local Government Management Project. This publication can be obtained by using the *Publication Order Form* on the last page of this document.

Appendix II
Project Publications

The investigations required for the design of this Project have led to some publications and working papers. These publications will be available for purchase on the publication date indicated on the attached order form. Orders should be sent to the Ontario Government Publication Centre, Ministry of Government Services, 5th Floor, 880 Bay St., Queen's Park, Toronto, Ontario, M7A 1N8
Apart from the *Project Overview Statement,* the various publications have been grouped into four series.

PROJECT OVERVIEW STATEMENT

This paper describes the Project in overview fashion. It contains a statement of the goal and objectives of the Project, a description of the goal and objective setting process, and the documentation and evaluation processes to be used in the study. Price $1.00.

SERIES A PUBLICATIONS: PROJECT DOCUMENTATION AND EVALUATION

The purpose of this series of papers is to describe the experiences of the four Project Municipalities, to analyse those experiences, and to indicate their possible relevance to other municipalities. This series also includes papers outlining the design of the evaluation process as well as periodic reports on the evaluation of the Project.

1 *The LGMP Experience: Phase 1.* This paper traces the Project from its inception in 1972 through various approval stages ending with the approval of the Project by each of the four participating municipalities. Price $2.00.

2 *The LGMP Experience: Phase II.* This paper traces the Project through its early implementation stages, ending at the termination of the second full year of funding. Price $4.50.

3 *The LGMP Experience: Phase III.* This final publication includes an overall perspective on the LGMP and an evaluation of the total experience. The analysis section, in this case, is an analysis of the complete project and the paper considers the broad implications of similar major programs of organizational change for other local government organizations. Price $4.50.

4 *The LGMP Experience: Guidelines for Organizational Change in Local Government.* As they identified requirements for management improvement, the Project Team attempted to meet training needs and developed working papers explaining the procedures they had used. In total, these working papers, which have been edited and included in one publication, provide a framework or guide for various aspects of organizational change in local government. Price $4.50.

SERIES B PUBLICATIONS: TECHNICAL PAPERS

The purpose of this series of papers is to present reasonably concise descriptions of broad areas of municipal management and administration as they relate to various aspects of the Project. These papers, which describe the state of practice and experimentation of the various areas, have been written for elected and appointed local government officials.

1 *Corporate Management: Its Role in Local Government.* This paper defines the process of corporate management in local government and includes a discussion of a method of approaching a more effective corporate operation. Price $3.00.

2 *Improving Management Performance: The Contribution of Performance and Productivity Measurement.* An overview of the field of performance measurement including examples of output measures, fiscal measures, process measures, and methods of program evaluation. Annotated Bibligraphy. Price $5.00.

3 *Management Improvement: A Manager's Guide to the Theory and Process of Individual and Organizational Change.* This paper describes frameworks for individual and organizational change which seem to be supported by the LGMP experience. Price $3.00.

4 *Improving Management Performance: The Role of Management Information.* This paper discusses the relationship between information and effective management, with particular emphasis upon techniques that individual managers can use to improve their own use of information. Price $3.00.

SERIES C PUBLICATIONS: CASE STUDIES

The purpose of this series is to describe various municipal experiences with programs related to the goal and objective setting process. The case studies are suitable for instructional purposes to focus discussion on the broad areas which the cases represent.

1 *Goals for Dallas 'A'.* The Dallas, Texas experience with broad goal setting, involving extensive public participation. The 'A' case reviews the program from its inception in 1965 to 1972. Price $2.00.

2 *Goals for Dallas 'B'*. The Dallas, Texas experience with broad goal setting, involving extensive public participation. The 'B' case examines the program from 1972 to 1974. Price $2.00.

SERIES D PUBLICATIONS: PERIODIC PAPERS

The purpose of these papers is to describe various aspects of the Project which are felt to be of interest to municipalities contemplating the introduction of a system of goals and objectives.

1 *Developments in the Management of Local Government — A Review and Annotated Bibliography*. This paper was prepared to provide local government managers and elected representatives with a description of current developments in the field of local government. The paper describes ten areas of development in the management of local government and supplies annotated bibliographies of books, articles and reports dealing with these areas. Price $2.00.

Local Government Management Project

Publication Order Form

This order form can be used to order publications of the Local Government Management Project. Orders can be made as the publications become available as indicated by the date of publication. Enclose payment with this order form. Make cheques payable to Treasurer of Ontario.

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